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ABSTRACT

This paper reports results of a baseline analysis of Job Training Partnership Act-welfare coordination efforts in Texas. Following an introduction, section II provides a brief overview of the literature on welfare dynamics and program participation and describes Texas programs to move Aid to Families with Dependent Children (AFDC) recipients into the labor force. Section III describes the research methodology. Section IV presents and interprets the statewide statistical results for the baseline period and discusses key differences between statewide and substate results. Among the key findings noted in Section V are the following: (1) the overwhelming majority of persons who left AFDC did so for reasons other than employment; (2) the factors strongly associated with both lengthening a caretaker's time on welfare and reducing employment exit probability were largely personal; (3) JTPA participation increased caretakers' chances of leaving welfare for employment but had little impact on keeping them from returning to the rolls; (4) factors having the greatest influence on a caretaker's return to AFDC were almost all personal/demographic; and (5) expected employment duration of those AFDC caretakers who were successful in leaving welfare for employment was 6.6 months, with very few factors associated with improving the length of employment. Appendixes include 61 references, complete results for 5 substate regions, and a more technical discussion of the data used to develop the research sample, sampling techniques, and estimation methods. (YLB)

ED 360 538

A BASELINE ANALYSIS OF FACTORS INFLUENCING AFDC DURATION AND LABOR MARKET OUTCOMES

Second in a Series of Reports on
JTPA/Welfare Coordination Efforts

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A Baseline Analysis of the Factors Influencing AFDC Duration and Labor Market Outcomes

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Completion of this project required data from the Texas Department of Human Services (DHS), the Texas Department of Commerce (Commerce), and the Texas Employment Commission (TEC), as well as an understanding of the programs operated by those agencies. A number of persons were instrumental in helping the project team understand both the programs and the data from these agencies. Special thanks go to Lea Isgur, Margaret Lane-Mendosa, and Fred Fordyce of DHS and Jim Gaston of Commerce for their assistance with the data from their respective agencies.

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I. Introduction

A. Project Origins

In recent years, there has been growing concern with coordination among publicly-funded programs, including those designed to move welfare recipients off the rolls and into unsubsidized employment.[1] In Texas, a number of programs target welfare recipients directly or indirectly for services designed to enhance their education and skill levels and to move them into unsubsidized employment. These include: employment services (ES) provided by the Texas Employment Commission (TEC); job training offered through local programs funded by the Texas Department of Commerce (Commerce) as part of the Job Training Partnership Act (JTPA); vocational education which is overseen at the state level by the Texas Education Agency (TEA) at the secondary level and the Higher Education Coordinating Board at the postsecondary level; and those efforts operated directly by the Texas Department of Human Services (DHS). Each program has its own master, structure and set of legislative and regulatory requirements. Reporting varies widely among them in terms of frequency, level of detail, and any number of other dimensions, making it difficult for policymakers and program administrators to determine the nature of program interrelationships, not to mention their results.

Researchers at the Bureau of Business Research and the Center for the Study of Human Resources of the University of Texas at Austin have invested considerable time and energy over the past five years in understanding and developing cross-program data bases which support the analysis of participation in and outcomes from these programs. They have produced reports examining Texas postsecondary vocational education, JTPA, ES and welfare-to-work initiatives, including an evaluation of the State's readiness for implementing the 1988 Family Support Act's Job Opportunities and Basic Skills (JOBS) training program.[2]

During and in preparation for the 71st regular session of the Texas Legislature in 1989, oversight hearings were conducted to examine the performance of some of these programs and to elicit information about the nature and degree of program coordination among them at the state and local level. The Texas Legislature directed Commerce to contract with the University for an evaluation of public and private coordination efforts affecting the delivery of job training services to recipients of Aid to Families with Dependent Children (AFDC), especially those targeted for services under JOBS. The project was initiated in October 1989 and will run through late 1991.

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[1] The most recent of these have been produced by teams of researchers at the Urban Institute. See: Nightingale and Burbridge (1987); Burbridge and Nightingale (1989); and an earlier one concerning the preceding Work Incentive (WIN) programs by Mitchell, Chadwin and Nightingale (1980).

[2] For example, see: King and Schexnayder (March and November 1988); and Schexnayder, King and Ambrosino (1989).

B. Key Project Components

This project addresses two main questions, which will be answered through a combination of two key project components, statistical analysis and field visits.

- To what extent are Texas job training, welfare and related programs coordinated at the local level? A subquestion is: how has the nature and degree of coordination changed over the period of concern, i.e., the 1985-1989 period?
- How have changes in the nature and degree of coordination among these programs affected participants' program outcomes, especially their employment, earnings and welfare recidivism?

Statistical analysis. The statistical analysis for this project encompasses two parts, the first of which will be conducted in two phases. The first phase of the first part, known as the baseline analysis, will analyze welfare dynamics and employment outcomes for individuals who were AFDC caretakers for FY1986 and FY1987[3], a period during which little program coordination was likely to be occurring between the key agencies serving AFDC recipients. Results from the baseline analysis are reported in this paper and include revised estimates of welfare (AFDC) spell duration and rates of recidivism, the degree to which AFDC exits results are successful, and identification of the factors influencing this result. This statistical analysis has been conducted both for the entire state and for selected substate areas.

As data become available for FY1989 and FY1990, researchers will complete the second phase of this effort, analyzing differences in welfare participation and employment outcomes for AFDC caretakers between the baseline and coordination periods and assessing the degree to which coordination played a role in reducing AFDC duration and improving labor market outcomes. This report will be completed in the fall of 1991.

The second part of the statistical analysis will examine the effects coordination has had on the number and types of AFDC caretakers served by JTPA and closely examine changes in participant outcomes occurring throughout the five-year period being studied. This will be accomplished by analyzing JTPA and ES participant files and accompanying

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[3] Texas' state fiscal year (FY) is from September 1 to August 31.

UI wage records. To the extent that data are available, statistical analysis will be used in conjunction with field surveys to also determine how smoothly eligibility determination, referral, assessment, and provision of support services have been coordinated between DHS and Commerce during the coordination period.[4]

Field surveys. Researchers are also visiting selected local sites in the state interviewing program administrators and staff and collecting reports and other materials to document the nature and extent of coordination among key programs designed to move AFDC recipients towards self sufficiency.[5] There will be several rounds of field work with a mix of intensive and extensive on-site interviews. Results from the site visits will be used in conjunction with the statistical analysis to answer the main research questions and will be reported in the final coordination evaluation report.

C. Report Content: Baseline Analysis of the Factors Influencing AFDC Duration and Labor Market Outcomes

This report is organized into five main sections and two appendices. Following this introduction, Section II provides a brief overview of the literature on welfare dynamics and program participation, and describes the programs in Texas that have been designed to move AFDC recipients from the welfare rolls and into the labor force. In Section III, the research methodology is described. Section IV presents and interprets the statewide statistical results for the baseline period and discusses key differences between statewide and substate results. Key findings are summarized in Section V. Two appendices are included in this report. Appendix A presents complete results for five substate regions. Appendix B, which is primarily intended for researchers and technicians, includes a more technical discussion of the data used to develop the research sample, sampling techniques and estimation methods.

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[4] This report, The Effect of Coordination on JTPA Services and Outcomes, should be completed in the summer of 1991.

[5] For the first report on this field work, see: Gula and King (1990).

II. Background

This section provides background helpful for understanding the current project's contribution to research on welfare dependency and programs to combat it. It begins with a summary of findings from the national research on welfare dynamics and program participation. It describes the Texas welfare system, primarily the AFDC program. A brief overview of the various programs serving AFDC caretakers concludes this section.

A. Welfare Dynamics and Program Participation: A Research Summary

Welfare Dynamics. Until recently, most research on welfare dependency in the United States was the result of small, area-specific studies on limited sub-populations or large research projects using national, cross-sectional data bases. With the advent of large panel data sets -- surveys following families and their individual members over extended periods -- it has been possible to greatly increase our understanding of welfare receipt over time.

The primary focus of this review is on welfare dependency. A consensus has emerged on welfare dependency which can be summarized as follows:[6]

- Most single spells on AFDC last two or fewer years;
- Recidivism -- return spells on AFDC -- is quite high: more than 40 percent of all AFDC recipients return for a second spell (including those leaving due to increased earnings);
- Given the high rate of recidivism, the mean overall stay on AFDC appears to be about 6.6 years; the median stay on welfare is over 4 years. The average figures mask the fact that, like much labor market behavior, the welfare population is comprised of both long and short stayers;
- Regarding AFDC entry paths, family composition changes -- divorce, separation, and out-of-wedlock births -- are the dominant cause of fully three-quarters of all spell beginnings, a consistent finding throughout the research; fewer than 15 percent of welfare spell beginnings were the result of an earnings decline;
- Similarly, AFDC exits are less dominated by family composition changes than AFDC entries, although marriage and remarriage accounts for about 35 percent of all spell endings and the departure of a dependent child for

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[6] The chapters by Danziger and Besharov in the recent book by Cottingham and Ellwood (1989) provide an excellent synopsis of this research. This consensus is also summarized well in papers by Ellwood (1987), Hoffman (1987), and Lerman (1987). The consensus has generally been developed from earlier works by Bane and Ellwood (1983), Ellwood (1986), O'Neill, et. al. (1984), Blank (1986) and others.

another 11 percent; earnings increases contribute more than one out of every five spell endings; and

- The correlates of longer-term dependency include race (black) and entry due to out-of-wedlock births; the effect of other factors such as attitudinal variables is less clear.

A recent study of the combined effects on dependency of a number of key variables such as race, education, age and the numbers and ages of children over a longer time period contributed additional findings.[7] These include:

- Women who have short first spells of welfare are slightly more likely to return for a second spell.
- Nearly one-quarter of all those who ever use AFDC have 10 or more years of receipt; one-half use it for four or more years. The one-quarter with long periods of receipt account for almost 60 percent of those found on welfare at any time.
- The single most powerful predictor of welfare duration, when all else is not held constant, is marital status: almost 40 percent of the women who have never been married when they begin to receive AFDC will have total welfare time of 10 or more years, compared to less than 15 percent of the divorced women. Other powerful predictors of duration are race, education, age of the mother, and age of the youngest child.
- The group at greatest risk of becoming long-term recipients is young, never-married women who enter when their child is less than three years old: over 40 percent of this group will spend 10 years on AFDC. Conversely, the group least at risk is older women with strong education and work experience: only 13 percent of this group have total durations of welfare receipt of 10 or more years.

Other studies -- including those by O'Neill, et. al. (1984), using national data and King and Schexnayder (1988), using Texas administrative data -- have produced findings which are largely consistent with those outlined here.

Generally, the factors associated with higher exit probabilities from AFDC, holding other variables constant, are: greater prior work experience, high expected earnings, race (white), education, and living in a Southern state. Longer durations on welfare appear to be associated with limited work experience, low expected earnings, being black, having low education, living in a non-Southern state, never being married or having lived as a teen in a mother-only family, and the number of children, especially those under 6 years of age. The longer the time already spent on welfare, the lower the probability of leaving and the longer the expected duration.

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[7] See: Ellwood (1986) and the earlier work by Bane and Ellwood (1983).

Finally, over the years, there has been considerable controversy on the question of inter-generational dependency. While the underlying causes of inter-generational welfare receipt are not well understood, the research offers clear evidence of a strong inter-generational link.[8] It is not clear whether welfare receipt per se produces this inter-generational pattern, or whether it is the lack of viable economic alternatives, i.e., jobs at decent wages, marriageable (employed) partners, or child support.

Program Participation. There has also been a growing literature on participation by welfare recipients in programs designed to improve their self sufficiency, especially programs involving job training, job placement, education and remediation.[9] This literature necessarily relies either on national evaluations of programs from the late 1970s and early 1980s or on more recent welfare-to-work demonstration projects at the state and local level. While there will be a wealth of findings available very soon on program treatments and net employment and earnings impacts from the national JTPA Experimental Evaluation, nothing has yet been released.[10] An 8-year JOBS evaluation contract was awarded to MDRC and SRI in late 1989, but it will be years before research findings are available. This brief review concentrates on findings in selected areas, including: participation rates; participant characteristics; the types of programs; and program results or impacts.

While there is no longer any real issue concerning recipients' motivation to work or to improve their capacity to become self sufficient generally, rarely have their participation rates reached high levels. Reasons for these low participation rates include the fact that most AFDC caretakers are only on the rolls a short time, and that the number of available positions or slots in such programs has declined over time as resources for them have diminished. Taking AFDC caretakers as the base, except for a few projects specifically designed to maximize participation -- e.g., the San Diego Saturation Work Initiative Model (SWIM) demonstration which produced participation rates of more than 60 percent of those targeted and eligible for services in a year -- few have ever engaged a substantial share of their caseload on a continuing basis. Participation rates calculated on an ever-participated basis for targeted AFDC populations (most frequently mothers with no pre-school children) have generally been in the 40-60 percent range; higher rates have only resulted from substantial investments. Achieving higher rates tends to be easier in less intensive programs without highly structured program sequences. Earlier research on the Texas AFDC caseload suggests that around 5 percent might participate in JTPA and around 34 percent might register with TEC in a given year. Neither of these figures is comparable to the new JOBS participation rate calculations which are far more stringent. Taking program participants as the base, a different picture emerges. AFDC recipients have made up roughly one-fifth of JTPA participants in recent years, whether national or Texas JTPA is the focus. In some localities, the figure has been much higher, in others far lower.[11]

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[8] For recent research on this issue, see: An, et. al. (1990) and Gottschalk (1990).

[9] For summaries, see: Barnow (1987); chapters by Bassi and Ashenfelter and by Glazer in Danziger and Weinberg (1986); the chapter by Burtless in Cottingham and Ellwood (1990); Friedlander and Gueron (1990); Grossman and Mirsky (1985); Gueron et al (forthcoming); Porter (1990); and the JTLS Research Advisory Panel (1985).

[10] That 5-year evaluation involving random assignment of participants -- funded by the U.S. Department of Labor and conducted by a team of researchers from Abt Associates, MDRC and others -- began in 1986 and is about to yield its first impact results in mid-1991.

The key distinguishing participant characteristic is the age of their children. This is not surprising. Since welfare-employment programs started up in the 1960s, participation in some type of program has been required of certain caretakers and not of others. Generally, mothers with pre-school children or with disabled spouses have been exempt. Most of the program experience has been with mothers of older children and with highly motivated younger mothers who have volunteered to participate. Most of the MDRC evaluations have been of programs involving mothers with children six years of age and older. A few states (e.g., Oklahoma) have experimented with participation requirements for mothers with very young children, and the new JOBS program drops the age of the youngest to three years while allowing states the option of lowering it further. In Texas, approximately two-thirds of those registering for employment services with DHS over the years have been mothers with no pre-school children; the rest have been mothers with young children. Of course, there are substantial costs associated with requiring participation of those with young children in the form of child care expenditures.

It is noteworthy too that few programs have attempted to reach AFDC populations with substantial barriers to employment. Most have been oriented toward serving substantial numbers of those who might best be characterized as near job-ready; that is, recipients with at least modest education and recent work experience. Again, the lack of sufficient federal and state funding to offer long-term program interventions is part of the explanation for this phenomenon.

In terms of program services, most of the surveys of programs which have been provided to AFDC recipients have shown short-term, low-intensity interventions, geared towards job-ready clients with few barriers to employment.[12] While all states have made substantial use of short-term job search assistance in their program strategy for AFDC recipients, only about a fifth of them provided a full array of employment and training activities to a substantial share of recipients. Only a small fraction of AFDC recipients actually received vocational skills training or education services. In Texas, the average length of program stay for all JTPA participants, including those on AFDC, has been around 13-14 weeks. The national figure is about the same. Of course, recently there has been increasing emphasis on providing basic skills and remediation in job training programs generally, including those for welfare recipients. It takes a while for these efforts to produce noticeable results in the mix of program services. JOBS places a very strong emphasis on the provision of education to selected groups of recipients.

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[11] The Texas research studied the FY1986 AFDC data and the PY1986 JTPA data. See: King and Schexnayder (1988, 1989).

[12] See: U.S. GAO (1987); Porter (1990); and Nightingale and Burbridge (1987).

What about program results? Overall, it can be said that welfare employment programs have moved many AFDC recipients towards but not over the threshold of economic independence.[13] Not surprisingly, most of the results have been recorded for those with older children. Broad-coverage programs such as job search have yielded modest net employment and earnings gains for welfare recipients who might be categorized as being in the middle group i.e., not the most job ready, and lacking substantial barriers to employment. Typically, these recipients have modest education, recent work experience and fewer barriers.

More intensive -- and more costly -- interventions have demonstrated clear and positive net impacts on a small scale for welfare recipients. Notable efforts in this regard are Supported Work, SWIM in San Diego and the San Jose site of the Minority Female, Single-Parent Program. What is unknown is the extent to which education and skills training can be expected to produce net impacts for large portions of the AFDC caseload on a continuing basis. It is worth recalling here that most successful exits from welfare have resulted not from programmatic successes or from increases in employment and earnings, but rather from various changes in family structure.

B. Welfare in Texas

While ranking relatively high among the states in population and numerous measures of well-being, Texas has lagged well behind in terms of its welfare programs.[14] In 1988, Texas ranked 47th in AFDC benefits paid to three-person families (a maximum of

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[13] Paraphrasing Bassi (1985).

[14] Unless specifically noted, program discussions contained in this section draw on King and Schexnayder (December 1988) and Schexnayder, King and Ambrosino (1989), as well as unpublished materials from the relevant agencies.

$184 per month). Like a number of other states, it only began offering an Unemployed Parents (UP) program option under AFDC for the first time in October 1990. It has largely operated as a (female) single-parent welfare system, traditionally with substantial barriers to entry for applicants. It ranked near the bottom fifth among states in the percentage of its population receiving welfare.

AFDC is the cornerstone of the Texas welfare system and the primary assistance program of interest here. It is designed to help children deprived of support because of the absence or disability of one or both parents.[15] Not surprisingly, about 70 percent of AFDC recipients are children. In order to qualify for the Texas AFDC benefits, adult recipients must have needy children and less than $1,000 in assets, excluding a home and one car valued at less than $1,500. Even part-time work at the minimum wage is sufficient to disqualify most applicants from receiving assistance. A Texas family of three receiving AFDC payments, food stamps and Medicaid would be living at less than three-quarters of the federal poverty level. During the Baseline Period for this research the average monthly number of AFDC recipients for FY1986 was 410,400 and in FY1987, 467,000.

A Texas map showing the DHS Regions is contained in Figure 1.

C. Texas Programs Serving Welfare Clients

Texas was a late entry into the welfare-to-work program arena. While other states were taking full advantage of the demonstration opportunities provided under the 1981 Omnibus Budget Reconciliation Act (OBRA), Texas was tentatively trying out a series of small-scale efforts including Grant Diversion pilots (1983-85), Home Health Aide Demonstrations (1983-86) and a 2-site project designed to solicit corporate involvement in training and hiring AFDC recipients (1986-87), among others.[16] None of these took hold on a statewide basis, however, although lessons were learned which undoubtedly contributed to later program designs. The first concerted welfare-to-work effort, REFOCUS, was implemented by DHS in April 1988 in three regions. Statewide REFOCUS implementation was achieved in December 1989.

Four programs constitute the major efforts available to help welfare recipients attain self-sufficiency in Texas by improving their chances in the labor market: DHS services offered through its Client Self-Support Division; job training programs operated under the

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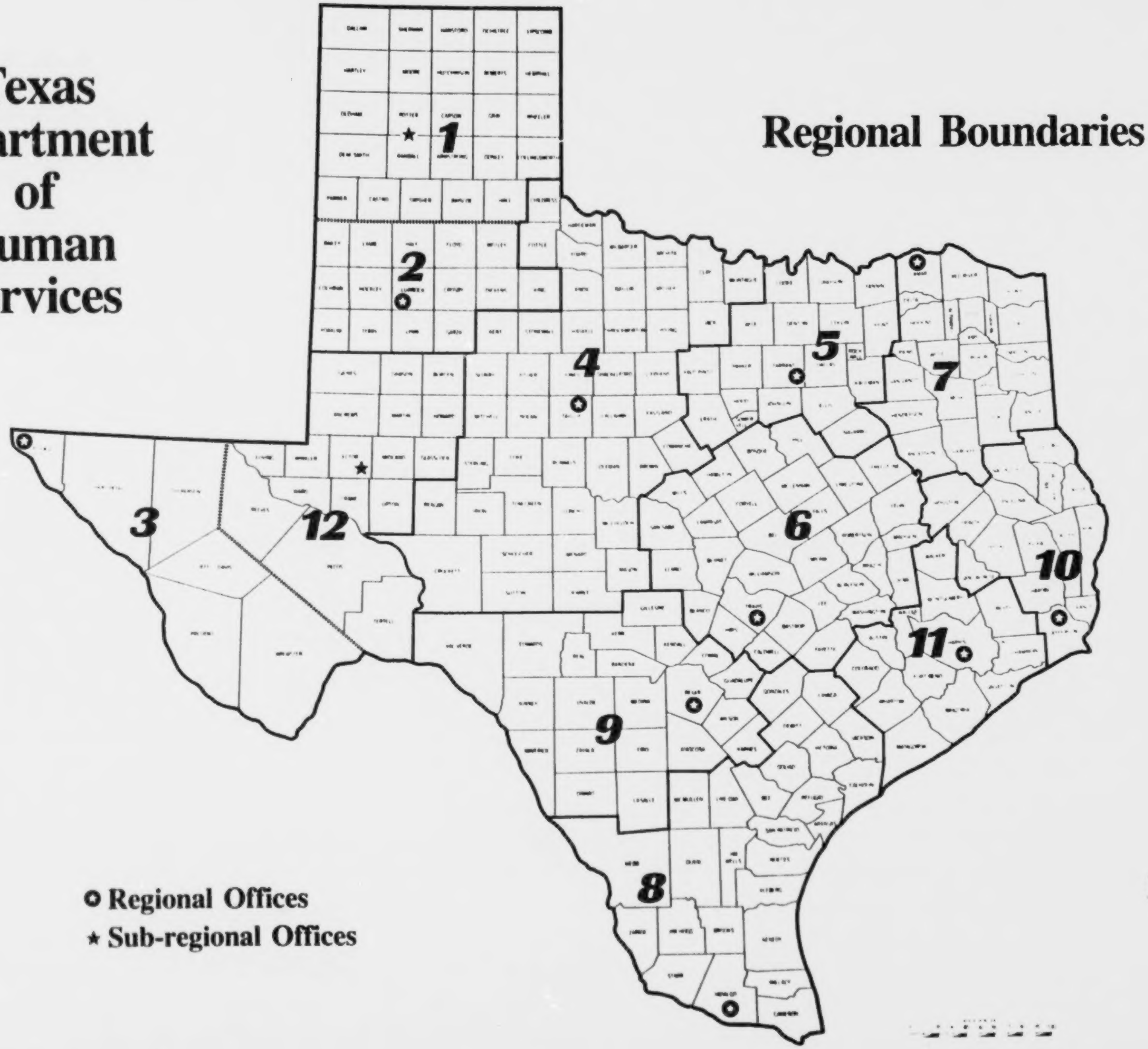
[15] This description and the figures contained in it are taken from various DHS Annual Reports.

[16] Overviews of the demonstration initiatives in other states are contained in Friedlander and Gueron (1990) and Gueron, Pauly and Lougy (forthcoming). The Texas initiatives are reviewed in King (June 1987), Orr and Bell (October 1987) and King and Schexnayder (December 1988).

Texas Department of Human Services

Regional Boundaries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● Regional Offices

★ Sub-regional Offices

Figure 1

Job Training Partnership Act (JTPA); job search and placement activities provided through the offices of the Texas Employment Commission (TEC); and education and remediation services offered primarily through local community colleges and the statewide network of adult education cooperatives.[17] Each of these is described briefly below.

DHS. DHS provides services to AFDC recipients and other low-income families through its Family Self-Support (FSS) -- now, the Client Self-Support (CSS) -- Division. Among these are employment services for both AFDC and Food Stamp recipients. Employment services for AFDC recipients in the mid-1980s consisted of the Work Incentive Demonstration (WIN Demo) programs and AFDC Job Search. Under WIN Demo, all AFDC recipients were required to register for employment services unless exempt for one of the following reasons: less than 16 or greater than 65 years old, under 19 years old and a full-time student, temporarily or permanently disabled, caring for a child under six or an ill or disabled family member, living in an area that is too remote for available services, or already employed for 30 or more hours per week. In FY1986, 25.5 percent of all caretakers (42,962 individuals) were required to register for employment services. Over 60 percent of all AFDC caretakers would have been eligible for exemption because of caring for a child under six years old. However, 22,750 of exempt caretakers volunteered for employment services, resulting in a total employment services caseload of 65,712 caretakers in FY1986.[18]

WIN Demo was funded with 90 percent federal funds $4.7 million in FY1986 to assist AFDC recipients to become employed and self-supporting. Services were delivered in one of two ways. First, DHS contracted with TEC in 69 counties in FY1986 under which mandatory registrants were automatically referred for employability assessment and job placement assistance. Second, in 35 counties DHS Regional Office provided similar services with DHS/FSS staff. The remaining 150 counties, primarily the less populated ones, did not operate WIN Demo programs. AFDC Job Search received around $3.2 million in federal Title IV-A funds and an equal amount in state general revenue in FY1986. Services, including individual and group job search and placement assistance, were

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[17] In addition to the sources already noted, there is one other basic reference on program expenditures and service levels during this period: Texas LBO (1988).

[18] Approximately 83,700 AFDC recipients registered for Employment Services in FY86. This report includes a smaller number because it focuses only on AFDC caretakers, i.e. those parents or other adults responsible for the care of children on the AFDC caseload, generally the head of the household.

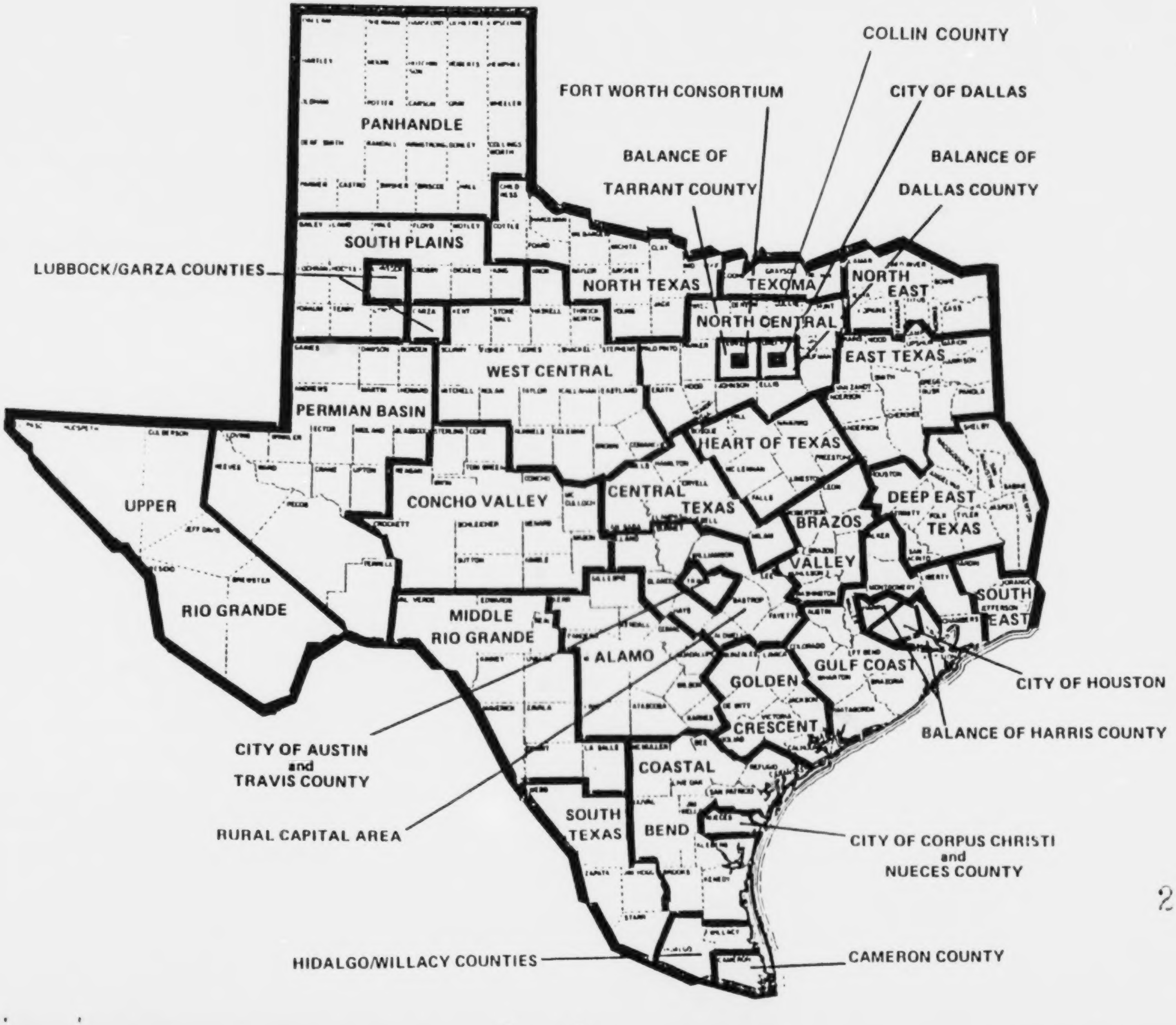
PANHANDLE
SOUTH PLAINS
LUBBOCK/GARZA COUNTIES
PERMIAN BASIN
WEST CENTRAL
NORTH TEXAS
TEXOMA
NORTH CENTRAL
NORTH EAST
EAST TEXAS
FORT WORTH CONSORTIUM
BALANCE OF TARRANT COUNTY
COLLIN COUNTY
CITY OF DALLAS
BALANCE OF DALLAS COUNTY
UPPER RIO GRANDE
CONCHO VALLEY
HEART OF TEXAS
CENTRAL TEXAS
BRAZOS VALLEY
DEEP EAST TEXAS
SOUTH EAST
MIDDLE RIO GRANDE
ALAMO
GOLDEN CRESCENT
GULF COAST
CITY OF HOUSTON
BALANCE OF HARRIS COUNTY
CITY OF AUSTIN and TRAVIS COUNTY
RURAL CAPITAL AREA
COASTAL BEND
SOUTH TEXAS
CITY OF CORPUS CHRISTI and NUECES COUNTY
HIDALGO/WILLACY COUNTIES
CAMERON COUNTY

Figure 2

Texas JTPA Service Delivery Areas

available statewide, administered by DHS/FSS staff. Contracts were negotiated with public and private agencies to place clients in unsubsidized employment.[19]

JTPA. AFDC recipients are also served in job training programs funded by JTPA. JTPA's goal is to prepare economically disadvantaged youth and adults for unsubsidized employment through education, employment, and training services. Section 203 of JTPA also provides that those AFDC recipients who are required to or who have registered for employment services must be served on an "equitable basis", producing expected service levels of around 4-5 percent for such AFDC recipients in Texas. Actual service levels have been much higher, around 12-15 percent of the total.

JTPA was administered at the state level by the Texas Department of Community Affairs (TDCA) until 1987, with programs operated locally under Private Industry Councils (PICs) in 34 service delivery areas (SDAs) in the state (Figure 2 shows the location of Texas SDAs).[20] Texas Title IIA programs, under which AFDC caretakers are most likely to receive training, received just under $99 million in PY1985[21] funding and another $95.9 million in PY1986, 78 percent of which was passed through to local programs by federal formula for the provision of training services. Title IIA programs may include pre-employment skills training, classroom training, work experience, placement assistance, on-the-job training (OJT), and other services needed to remove barriers to employment, such as transportation and child care. Some 60,632 individuals were served in Title IIA (78 percent) programs in PY1985, roughly 19 percent of whom were on AFDC at entry.[22] Another 61,314 participated in these programs in PY1986.

TEC. TEC provides labor exchange services to all job seekers in Texas. In all, more than 1.7 million individuals registered with TEC seeking employment annually, while close to half a million job openings were listed by Texas employers. Only 18 to 22 percent of individuals who registered with TEC actually obtained jobs. Since 1983, states have received their employment services (ES) funding based on the state share of the civilian labor force and unemployed relative to the nation as a whole. While Texas' funding for job placement services has increased in recent years, it has not kept pace with labor force growth or the demands placed on local TEC offices. TEC received labor exchange funding of $44.1 million in PY1985 and another $45.8 million in PY1986 (Figure 3 shows the location of the ten TEC regions and its offices and suboffices). During this period, TEC had 134 full-service offices and another 50 rural labor exchange offices.[23] While TEC attempts to serve all Texas counties, many are actually served by what amounts to 'circuit riders' who make periodic visits to selected communities in the more rural counties. These staff take UI claims, take job orders, distribute information on job openings, perform administrative duties and then depart for the next stop.

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[19] JTWE was in its third and last year of operation in FY1986. It was available as an option to mandatory ES registrants. An unsuccessful effort to serve AFDC recipients by all accounts, it was not continued into FY1987. For a description of JTWE, see: DHS (1987).

[20] A 35th PIC -- the Collin County SDA just north of Dallas -- was created for PY1990 (July 1990).

[21] Program Year (PY1985) is from July 1, 1985 to June 30, 1986.

[22] Technically, JTPA characteristics are reported on those terminating from the program, but differences are likely to be minor. AFDC status is recorded at entry into JTPA.

TEC has traditionally served AFDC work registrants under contract to DHS, with WIN Demo, WIN Title IV-A Job Search and Food Stamp funding. These contracts have enabled TEC to assign additional staff to serve AFDC work registrants throughout the state. Additional services provided included: job counseling, assessment, job development and placement. As a rule, these services did not include group job search, Job Clubs, or other more intensive forms of placement assistance, which are simply not part of the basic labor exchange as traditionally offered by TEC. Large numbers of AFDC recipients use TEC services each year: earlier research suggests that about one-third of all caretakers and more than one-half of DHS employment services registrants actually register with TEC for services.[24]

Education. Education services for AFDC caretakers are typically not provided through the 1,068 independent school districts which constitute the Texas public school system. Education and remediation services are provided primarily through either the 62 Education Cooperatives which offer Adult Education (AE) -- including literacy and basic skills training, GEDs, high school diplomas and English as a Second Language (ESL) -- or through related remedial services available through JTPA. The latter encompasses many regular training providers operating adult-oriented education through Comprehensive Competencies Programs (CCPs) and similar centers through PICs and community colleges.

Texas operated AE programs for individuals over 16 years of age through the Co-ops with about $13.4 million annually in federal and state funds in the FY1985-1986 period.[25] These programs are under the administrative arm of the Texas Education Agency (TEA). While some 200,000-plus participants are served in programs of varying levels

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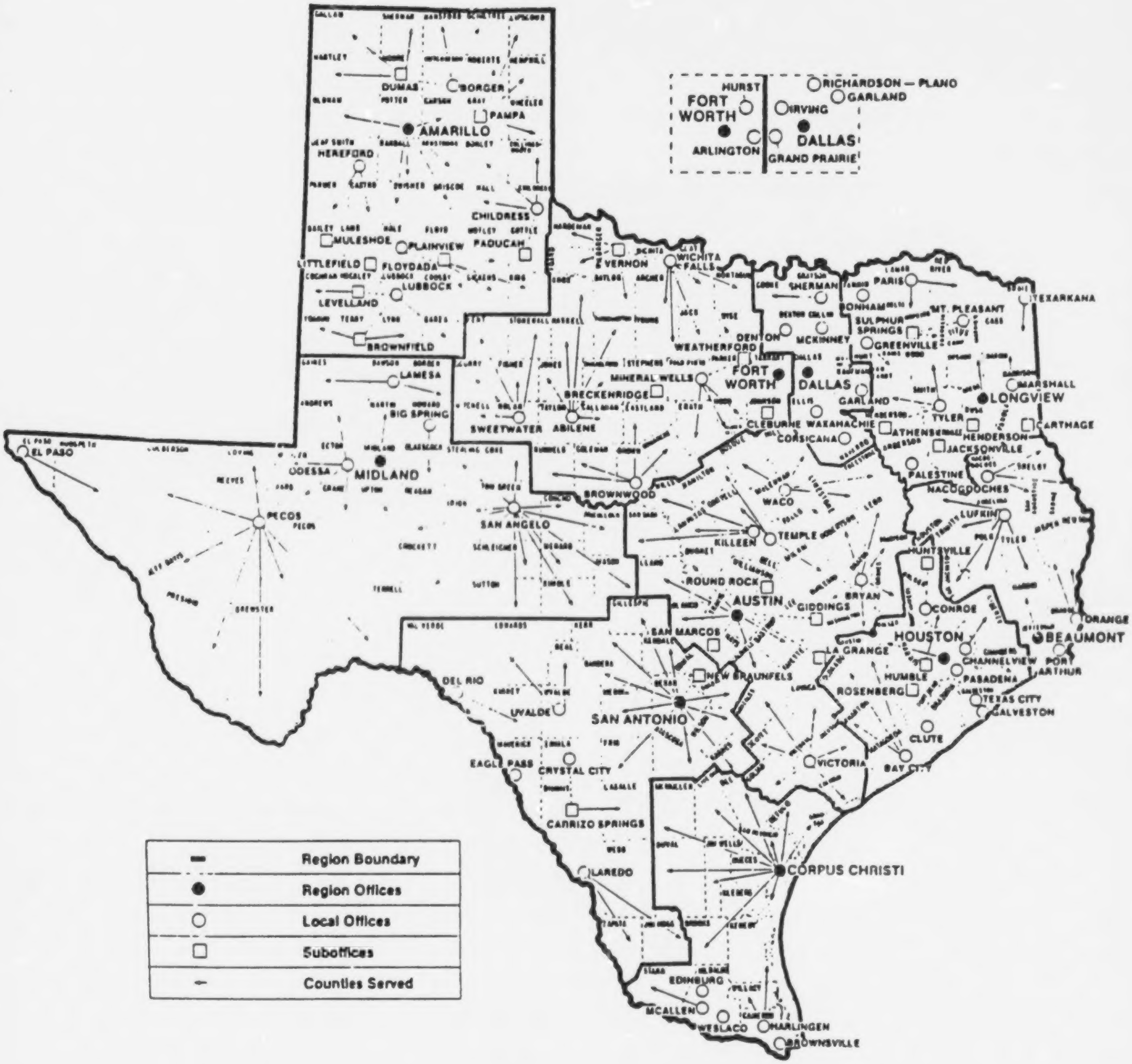
[23] TEC now has 182 regular offices and numerous suboffices. It no longer maintains rural labor exchange offices.

[24] See: King and Schexnayder (December 1988).

[25] In the 71st regular Texas Legislative session, not less than $1.0 million in state adult education funds for each year of the Biennium were earmarked for educational services to AFDC recipients, specifically JOBS participants. With federal matching, the state FY total equaled $2.741 million.

Figure 3
Texas Employment Commission
Regional Boundaries


HURST
FORT WORTH
ARLINGTON
RICHARDSON — PLANO
GARLAND
IRVING
DALLAS
GRAND PRAIRIE
DUMAS
BORGER
PAMPA
AMARILLO
HEREFORD
CHILDRESS
MULESHOE
PLAINVIEW
PADUCAH
LITTLEFIELD
FLOYDADA
LUBBOCK
LEVELLAND
BROWNFIELD
VERNON
WICHITA FALLS
SHERMAN
PARIS
TEXARKANA
BONHAM
MT. PLEASANT
SULPHUR SPRINGS
GREENVILLE
DENTON
MCKINNEY
WEATHERFORD
LAMESA
BIG SPRING
MINERAL WELLS
BRECKENRIDGE
FORT WORTH
DALLAS
GARLAND
MARSHALL
LONGVIEW
TYLER
CARTHAGE
SWEETWATER
ABILENE
CLEBURNE
WAXAHACHIE
CORSICANA
ATHENS
HENDERSON
JACKSONVILLE
EL PASO
ODESSA
MIDLAND
PALESTINE
NACOGDOCHES
BROWNWOOD
WACO
LUFKIN
PECOS
SAN ANGELO
TEMPLE
KILLEEN
HUNTSVILLE
ROUND ROCK
BRYAN
AUSTIN
GIDDINGS
CONROE
ORANGE
BEAUMONT
PORT ARTHUR
SAN MARCOS
LA GRANGE
HOUSTON
CHANNELVIEW
DEL RIO
NEW BRAUNFELS
HUMBLE
PASADENA
ROSENBERG
TEXAS CITY
GALVESTON
UVALDE
SAN ANTONIO
CLUTE
VICTORIA
BAY CITY
EAGLE PASS
CRYSTAL CITY
CARRIZO SPRINGS
LAREDO
CORPUS CHRISTI
EDINBURG
MCALLEN
WESLACO
HARLINGEN
BROWNSVILLE
Region Boundary
Region Offices
Local Offices
Suboffices
Counties Served

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and duration by Co-ops, only a very small fraction -- 5-6 percent -- reported the receipt of any type of public assistance.[26]

JTPA-based remediation efforts have been funded with Title IIA Section 123 Education funds. Texas received $7.9 million in Section 123 monies in PY1985 and another $7.7 million in PY1986, 80 percent of which was to be spent on participant services locally. TDCA policy directed PICs to spend these funds on at-risk youth and hard-to-serve adults, including AFDC recipients. These funds have typically been underexpended. Fewer than a third of those served have been adult AFDC recipients.

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[26] Adult Education records only reflect the numbers of persons who voluntarily indicated that they received public assistance.

III. Research Methodology

A. Research Questions

Several research questions have been developed to analyze the effectiveness of program coordination in serving AFDC caretakers in welfare-to-work programs. One question is whether coordination efforts have made any difference in reducing an individual's overall AFDC duration. Another is the extent to which coordinated programs have increased an individual caretaker's chances of getting a job and remaining employed. A final question is whether participation in more coordinated programs has any impact on an AFDC caretaker's earnings once she becomes employed.

Answering these questions is not a straightforward process. A number of factors other than program coordination can influence an individual's chances of leaving AFDC and becoming employed. Changes in family status, length of previous AFDC receipt, or general economic conditions have all been shown to affect AFDC duration. To accurately measure the effect of program coordination, changes in other factors that influence AFDC duration and employment prospects must first be taken into account. Differences that cannot be accounted for by these other personal, program, and labor market factors can then be attributed in part to the influence of program coordination. Thus, the extent to which program coordination influences an individual's welfare duration and employment prospects is at best an *indirect measure* derived by eliminating the influence of as many other factors as can be measured from the available data. The impact of coordination is measured as a residual.

Changes in the relative importance of the JTPA variables over time will also provide important clues in assessing the influence of program coordination. The extent to which JTPA becomes a more important factor in reducing AFDC duration and improving employment prospects in those areas of the state with coordinated programs will provide further evidence as to the effectiveness of these coordination efforts.

The results presented in the next section provide the baseline measures needed to answer the following research questions:

- What are the differences in spells and duration of AFDC receipt, probability of exit from and re-entry to AFDC rolls, probability of employment, employment earnings, and employment retention for AFDC recipients between the baseline and coordination periods?

- Which personal, program, and labor market factors significantly affect changes in welfare dynamics and labor market outcomes between the two periods?

The influence of coordinated programs on AFDC duration and employment will be assessed after a similar analysis for the coordination period is completed in the summer of 1991.

B. Geographic Coverage and Time Periods

Geographic Coverage. Both the entire state of Texas and five substate regions are examined in this analysis. Results from the statewide sample will be used to establish norms to which regional findings can be compared. These regions were chosen to represent areas with varying degrees of interagency coordination during the period of study and to ensure some degree of diversity in urban/rural character and in race/ethnic composition. DHS Region 3 (El Paso) was selected because of its history of operating coordinated interagency programs and its impressive labor market outcomes for AFDC caretakers in JTPA programs during the baseline period.[27] DHS Regions 9 (San Antonio), 10 (Beaumont/Port Arthur), and 11 (Houston) were selected because DHS' REFOCUS program was initiated and operated in these regions throughout the coordination period. Finally, Region 1/2 (Amarillo/Lubbock) was selected because it was among the last regions of the state to begin REFOCUS. Since REFOCUS did not begin in Region 1/2 until November of 1989, any changes in outcomes during the study period should most likely be attributed to factors other than REFOCUS.

Time Period. This research covers the five-year period from September 1, 1985 through June 30, 1990. The baseline period, during which little program coordination was likely to be occurring between the agencies serving AFDC recipients, encompasses activity occurring between September 1, 1985 through August 31, 1987. The coordination period, during which REFOCUS was operating in several regions of Texas, covers activity occurring between September 1, 1988 and June 30, 1990. While the study will analyze the benefits of interagency coordination for persons who are likely to participate in the JOBS program, it should be noted that the period of this study ends prior to October 1, 1990, the starting date for the JOBS program in Texas. As mentioned above, only the results from the baseline period are included in this paper.

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[27] See: King and Schexnayder (December 1988).

C. The Research Sample

Sample Construction. To conduct this statistical analysis, researchers have assembled an extensive, individual-level data base drawn from AFDC, JTPA, and ES program records, which have been matched to the longitudinal employment and earnings files maintained by TEC as part of the Unemployment Insurance (UI) system.[28] These data have been augmented with local population and economic information from various sources maintained by the Bureau of Business Research at the University of Texas at Austin.

The statewide sample for the baseline period consists of approximately 20,000 individuals selected randomly from the 241,832 caretakers on the statewide AFDC rolls in the baseline period (September 1, 1985 to August 31, 1987). AFDC data obtained from DHS describe spells of AFDC receipt and key demographic characteristics of caretakers. Social security numbers were then matched to those in data files provided by the other state agencies to generate master data sets. Commerce provided JTPA data for the baseline period. TEC provided data describing labor exchange services taken from the Employment Services Automated Reporting System (ESARS), as well as quarterly employment and earnings data from the UI wage records files. Data describing economic conditions in the caretaker's county of residence were also added.

To verify the reliability of the AFDC data, selected variables were compared for clients who received AFDC in both FY1986 and FY1987. Observations were deleted if the values for sex, race, or caretaker birthdate changed between the two years. Observations were also deleted for cases reporting no children, cases in which the eldest child was older than 19, and cases in which the caretaker was older than 59 years of age. Approximately six percent of the sample was eliminated for these reasons. The final data set consisted of 18,817 observations with 166 variables.

Sample Characteristics. Of the 18,817 AFDC caretakers in the final sample, more than half were enrolled in AFDC in both FY1986 and FY1987. Enrollment among caretakers in the sample increased by 11.6 percent from 1986 to 1987, following a similar increase in the total AFDC population -- 13.4 percent from FY1986 to FY1987.

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[28] Appendix B offers a more complete discussion of the data sources and construction of the research sample.

Table 1 summarizes the demographic characteristics of the AFDC caretakers included in the sample. Generally, the caretakers selected for this sample had similar characteristics in each of the years included in the baseline period. Over 96 percent are women. Three quarters of the sample are minorities, with almost equal shares of Blacks and Hispanics. Half of all caretakers are in their twenties and one quarter in their thirties, with a median age of 29.5 years. Two-thirds of all caretakers have either one or two children.[29] Half of the caretakers had a child less than two years old.

Regional distribution of the sampled caretakers closely paralleled the distribution of the total AFDC caseload. DHS Region 11 (Houston), which contains the largest number of observations, accounted for nearly 25 percent of the caretakers.

Just over half of the sample had only one spell of AFDC receipt -- either a completed or continuing spell -- by the end of the baseline period.[30] Of the caretakers who had repeat spells, roughly half had only two spells and one quarter had three spells.

D. Estimation Method

Many kinds of economic situations, such as employment and unemployment, are described as spells--durations of time when a person is in one state or its opposite. Most economic data, such as monthly unemployment rates or quarterly observations on GNP, are reported in time series form. Spell data, on the other hand, utilize start and stop dates to indicate the change from one state to another. Because of the discrete nature of the states and the fact that the person under observation changes states over time, modelling spell data requires different statistical tools than modelling ordinary time-series data.[31]

There are many approaches to the problem of modelling spell data[32]. The choice of one approach over another is dictated by the structure of the data available and the computing resources required to perform the analysis. For this analysis, the researchers selected an approach which attempts to measure the probability of a change of state during any period of time as a function of relevant variables measured during that period.[33] In the analysis of AFDC spells, for example, estimates of the probability that a person will exit

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[29] All references in this report to children (e.g. numbers, ages) refer to children on the AFDC grant.

[30] The results for number of AFDC spells differ dramatically from earlier research results due to the availability of more complete spell data than was available for the earlier study. See: King and Schexnayder (Final Report) (March 1988).

[31] For a complete discussion of the process by which the statistical approach was selected, see Appendix B.

[32] Leading articles in this field include: Amemiya and Boskin (June 1974); and Bane and Ellwood (Winter 1986).

[33] Boskin and Nold (Winter 1975).

Table 1. Characteristics of AFDC Caretakers in Sample

	AFDC Caretakers	
	Number	Percent
Total	18,817	100
Sex		
Male	762	4.0
Female	18055	96.2
Race/Ethnicity		
White/Other	4806	25.5
Black	7114	37.8
Hispanic	6897	36.7
Age of caretaker**		
17 and under	332	1.8
18-19	1288	6.8
20-23	3872	20.6
24-29	5697	30.3
30-39	5274	28.0
40-49	1734	9.2
50 and over	620	3.3
Number of children (on AFDC grant)		
1	7218	38.4
2	5895	31.3
3	3422	18.2
4 or more	2282	12.1
Age of youngest child*		
0-2 years	8742	46.5
3-4 years	3023	16.1
5-10 years	4622	24.6
11-15 years	1840	9.8
16 and over	590	3.1
Distribution by DHS region		
Region 1/2 (Amarillo/Lubbock)	796	4.2
Region 3/12 (El Paso/Midland)	1211	6.4
Region 4 (Abilene)	583	3.1
Region 5 (Dallas/Ft. Worth)	2816	15.0
Region 6 (Austin)	1582	8.4
Region 7 (Paris)	1133	6.0
Region 8 (Edinburg)	2733	14.5
Region 9 (San Antonio)	2237	11.9
Region 10 (Beaumont)	1093	5.8
Region 11 (Houston)	4633	24.6
Spells of AFDC receipt**		
1	9945	52.9
2	4525	24.0
3	2270	12.1
4	1104	5.9
5 or more	973	5.2
Mean length of most recently completed spell[34]	1.52 yrs.	

*Ages are computed as of the midpoint of the baseline period-September 1, 1986.
**All spells begun prior to September 1, 1987 are included.

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[34] For a complete discussion of the difficulty of drawing conclusions from this simple statistic, see: King and Schexnayder (Technical Report) (March 1988).

AFDC in any month are calculated as a function of the person's race, ethnic background, age, time on AFDC so far, whether or not in JTPA, how much JTPA completed, and so forth. The selected approach shows which of these variables has a significant effect on exit probability, and the strength of that effect.

Several key outcomes will be measured using the approach described above:

- probability of exit from the AFDC rolls in any given month and expected duration of current AFDC spell;[35]
- probability of re-entry to the AFDC rolls in any given month for persons who have had a previous spell of AFDC receipt and expected length of time between AFDC spells;
- probability of exit from the AFDC rolls due to employment in any given calendar quarter; and
- probability of former AFDC recipients remaining employed in any given quarter and the expected total duration of employment (in quarters).

E. Variables Used in This Analysis

The factors affecting an AFDC recipient's chances of exiting from or returning to the AFDC rolls or entering and retaining employment have been grouped into four areas.[36] The variables in each group are listed below and described more completely in Table 2:

- Personal (demographic) characteristics, including caretaker age, sex, and race/ethnicity, caretaker age at the beginning of first AFDC spell, number of children, age of youngest child, age of oldest child at the beginning of first AFDC spell, and mobility within and between counties;
- Environmental factors, including population density and unemployment rate;
- Program participation factors, such as current participation in either JTPA or ES and total days of JTPA or number of ES services received to date; and
- AFDC effects, primarily the total duration of all AFDC spells to date.

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[35] The researchers are also interested in estimating an individual's total lifetime duration on AFDC. Due to time and data constraints, however, the estimate of total AFDC duration will be reported at a later stage in this research project.

[36] This grouping follows the national welfare dynamics literature and continues the conceptual framework used in King and Schexnayder (1988) in earlier works.

Table 2. Independent Variables Used in the Analysis

Category	Variable	Description
Personal		
	AGE1	Age of caretaker at start of first spell
	AGEO25	Dummy variable for caretaker over 25 years old
	AGEU18	Dummy variable for caretaker under 18 years old
	BLACK	Dummy variable for caretaker of Black race
	EARNPOST	Amount of UI earnings reported for caretaker
	HISPANIC	Dummy variable for caretaker of Hispanic ethnicity
	KIDEAGE1	Age of eldest child at start of caretaker's first spell
	KIDNUM2	Dummy variable for caretaker having two children
	KIDNUM3	Dummy variable for caretaker having three children
	KIDNUM4	Dummy variable for caretaker having more than three children on the grant
	KIDYAGE	Contemporaneous age of youngest child
	MALE	Male caretaker
	MOVECNTY	Dummy variable for a move between counties
	MOVEZIP	Dummy variable for a within-county move between zip codes
	SCH0TO8	Dummy variable for caretaker with <9 years of school
	SCH9TO11	Dummy variable for caretaker with >8 and <12 years of school
	TEENMOM	Dummy variable for caretaker having been a teen mother
Environmental		
	RURAL	Dummy variable for caretaker in county with <100 persons per sq mi.
	UNEMP	Unemployment rate in caretaker's county
	URBAN	Dummy variable for caretaker in county with >600 persons per sq mi.
Program		
	ESCURR	Dummy variable for current ES activity
	ESNUM	Number of ES services received from 9/1/85 to date
	JTPACURR	Dummy variable for current JTPA activity
	JTPADUR	Number of JTPA days from 9/1/85 to date
AFDC Effect		
	AFDCDUR	Total time in all AFDC spells to date

F. Research Constraints

As is true for all research, this project has been limited by the data available for analysis. These data deficiencies fall into two categories: structural limitations caused by the absence of a control group, and missing variables in the available data files.

Estimation of true program impacts requires the use of experimental evaluation designs -- complete with random assignment of individuals to treatment and non-treatment groups -- such as those now being employed in the multi-year evaluation of JTPA being conducted nationwide by MDRC and Abt Associates.[37] The current research reports *gross* rather than *net* impacts or outcomes for individuals who have been on AFDC and who have participated in either JTPA or TEC programs. Given the reliance on longer-term measures of employment and earnings and on elaborate statistical adjustment techniques, while the specific impact estimates might be biased, indications of the factors associated with them and their relative strength would certainly be expected to hold up, particularly with such large samples.

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[37] Doolittle and Traeger (1990).

The combined administrative data files from the various state agencies over a five-year time span allow a detailed analysis of welfare-to-work programs in Texas that cannot be achieved by studying each agency's data separately. Even with these rich files, however, several data deficiencies still exist. These include the following:

- National research on welfare dynamics suggest that three fourths of all entries and re-entries onto the AFDC rolls result from a change in family status.[38] Having a child without ever having been married is a particularly important variable in predicting the probability of exit from and overall duration of AFDC receipt. Yet this variable is absent from the DHS administrative files and unavailable for use in this analysis.[39] As a result, those variables that are highly correlated with having an out-of-wedlock child will assume more importance in the results than they should.

- During the baseline period, the AFDC administrative files did not include a variable that measured the years of education completed. Education values were available for 73 percent of the sample from other sources. Standard statistical estimation methods were used to impute values for those caretakers for whom years of schooling data were missing.[40] Some error is present in the education variable as a result.

- The employment variable used in this analysis has been constructed from UI quarterly earnings records.[41] While the researchers believe that this approach most accurately captures substantive employment of at least one month's duration, the formula that was used to indicate employment may have misrepresented true employment. Readers familiar with employment related measures reported by the various administrative agencies may find that these results sometimes differ dramatically from those reported by each agency.

- Finally, several key variables rely on self-reported information from AFDC recipients. Every attempt has been made to identify and eliminate inaccurate data. Inevitably some inaccuracies remain leading to bias in the results.

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[38] Bane and Ellwood (1983).

[39] In the final phase of this project, the researchers will attempt to estimate marital status by using additional data from the AFDC-Quality Control sample for Texas.

[40] See Appendix B for documentation of the statistical procedure used to estimate education values.

[41] King and Schexnayder (December 1988), found that each agency under-reported placements for this population. Also, by the definitions used by the agencies during this period, employment could include a job that was held for just a few days. Given these findings, the authors have concluded that the UI wage records contain the most reliable data for measuring employment. The criteria used to measure employment are contained in Appendix B.

IV. Research Results

One of the primary benefits of this research is that it moves beyond taking a simple snapshot of AFDC caretakers at a point in time toward the measurement of expected outcomes for persons with particular sets of characteristics. While these statistics are far more powerful than those generated by a snapshot, the interpretation of these results is more complex. Earlier research in Welfare Dynamics in Texas has demonstrated the importance of this longitudinal approach.[42]

To conduct the analysis of welfare and labor market outcomes, the estimation methodology traditionally requires that a reference case (or person) be established.[43] The impact of a change in each of the independent variables is then estimated against this reference person. For this analysis of Texas welfare, the reference AFDC caretaker is:

> A White, 22-year-old female, with a two-year-old child. She is a high school graduate, lives in a mid-sized county, and was 21 years old at the start of her first AFDC spell. She has no previous AFDC receipt and has not participated in any JTPA or ES programs nor earned any UI wages during the baseline period.

In the tables that follow, exit probabilities have been calculated for a person possessing the characteristics of the reference AFDC caretaker and reported in the reference line near the middle of each table (this line has been boxed in each table for the reader's convenience). To determine the importance and effect each variable has on exit probabilities, probabilities have been calculated by holding everything constant except the variable under study. Results for that variable are then compared with the result for the reference person.

In reviewing the results, both the statistical significance and the strength of the effect of each variable are important. The t-ratio column shows the statistical significance of each variable. Statistically significant variables, which have t-ratios greater than two, have been shaded in the tables that follow. Strength of the effect of a given variable is measured by the difference in exit probability or spell length from the reference person. Thus, only those variables which show a relatively large change from the values calculated for the reference person and which are statistically significant (i.e., t-ratios greater than two) are viewed as important for this discussion.

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[42] King and Schexnayder (March 1988).

[43] Note that the choice of the reference person does not affect the results, only the manner in which they are explained.

A. Probability of Exit and Duration of AFDC Receipt

Table 3 shows the probability of exit for people currently on AFDC. For a reference AFDC caretaker, the probability of exit in a given month is .0476, and the expected duration of the current AFDC spell is 21 months.[44] If a person possesses all of the characteristics of the reference caretaker but is Black instead of White, the probability of exit for that person falls to .0272 in a given month, and the expected spell length increases to nearly 37 months. A similar interpretation can be made for each variable in the table.

Table 3. Independent Variable Effects on AFDC Spell Length and Probability of Exit from AFDC - Statewide Results

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from Reference
BLACK	-18.33	0.0272	36.7	15.7
HISPANIC	-12.16	0.0333	30.0	9.0
MOVEZIP	-7.47	0.0389	25.7	4.7
AGEU18	-2.46	0.0404	24.8	3.8
KIDNUM3	-4.34	0.0423	23.6	2.6
KIDNUM4	-3.65	0.0424	23.6	2.6
SCH0TO8	-2.66	0.0446	22.4	1.4
SCH9TO11	-3.17	0.0446	22.4	1.4
KIDNUM2	-2.80	0.0448	22.3	1.3
ESCURR	-2.34	0.0454	22.0	1.0
AFDCDUR	-15.02	0.0456	21.9	0.9
AGE1	-6.07	0.0470	21.3	0.3
JTPACURR	-0.21	0.0469	21.3	0.3
AGEO25	-0.18	0.0474	21.1	0.1
RURAL	0.00	0.0476	21.0	0.0
REFERENCE		0.0476	21.0	0.0
TEENMOM	0.35	0.0480	20.8	-0.2
URBAN	0.60	0.0482	20.8	-0.3
UNEMP	1.87	0.0483	20.7	-0.3
ESNUM	8.29	0.0479	20.9	-0.1
KIDEAGE1	3.29	0.0481	20.8	-0.2
KIDYAGE	46.22	0.0484	20.6	-0.4
EARNPOST	14.48	0.0493	20.3	-0.7
JTPADUR	3.15	0.0498	20.1	-0.9
MALE	2.78	0.0544	18.4	-2.6
MOVECNTY	4.40	0.0569	17.6	-3.4

Notes: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

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[44] The expected AFDC spell length is the reciprocal of the probability of exit from the AFDC rolls. For a more complete explanation of the effect of this relationship on expected spell lengths for continuous variables, see Appendix B.

The variables that most strongly increase a person's chances of remaining on the AFDC rolls in any given month are primarily personal (demographic) in nature. If a caretaker was Black or Hispanic was less than 18 years old (AGEU18), or had three or more children (KIDNUM3, KIDNUM4), her chances of staying on AFDC increased dramatically. To a lesser degree, the lack of a high school education (SCH0TO8, SCH9TO11) and previous duration on AFDC (AFDCDUR) also decreased a caretaker's chances of leaving the rolls.

Chances of leaving AFDC increased most strongly because of program variables. While enrollment in ES services in the current month (ESCURR) decreased a person's chances of exiting the AFDC rolls in that month, having received either ES (ESNUM) or JTPA services (JTPADUR) in prior months significantly improved a person's chances of leaving AFDC. Significant but small effects were also found for caretakers whose eldest child was older at the beginning of the caretaker's first AFDC spell (KIDEAGE1) or whose youngest child was older than that of the reference person (KIDYAGE). As expected, persons earning UI wages during the baseline period (EARNPOST) also increased their chances of leaving the AFDC rolls.

Variables describing the local geographical and economic environment (such as UNEMP, URBAN and RURAL) were not strong indicators of potential AFDC stay. None of these variables were statistically significant.

B. Probability of Re-Entry to AFDC

Table 4 shows the probability of re-entry onto the AFDC rolls for persons who have been on AFDC previously but were not receiving AFDC benefits in the current month. For the reference caretaker, the probability of returning to AFDC in any given month is .0787. Such a person could expect to stay off AFDC for a little more than one year before returning to the rolls.

Table 4. Independent Variable Effects on Probability of Re-Entry to AFDC and Expected Length of Off-Spells - Statewide Results

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from Reference
MOVEZIP	9.15	0.1022	9.8	-2.9
MOVECNTY	2.45	0.0872	11.5	-1.2
AGEO25	3.95	0.0859	11.6	-1.1
UNEMP	11.67	0.0857	11.7	-1.0
BLACK	4.28	0.0854	11.7	-1.0
SCH0TO8	2.05	0.0825	12.1	-0.6
SCH9TO11	2.48	0.0824	12.1	-0.6
RURAL	2.35	0.0822	12.2	-0.6
KIDNUM4	1.21	0.0819	12.2	-0.5
JTPADUR	1.79	0.0808	12.4	-0.3
URBAN	0.72	0.0797	12.5	-0.2
MALE	0.31	0.0796	12.6	-0.1
TEENMOM	0.37	0.0793	12.6	-0.1
REFERENCE		0.0787	12.7	0.0
AGE1	-0.83	0.0785	12.7	0.0
KIDNUM3	-0.09	0.0785	12.7	0.0
HISPANIC	-1.67	0.0759	13.2	0.5
JTPACURR	-1.15	0.0712	14.1	1.3
KIDYAGE	-35.02	0.0781	12.8	0.1
EARNPOST	-7.85	0.0776	12.9	0.2
KIDEAGE1	-8.03	0.0769	13.0	0.3
AFDCDUR	-7.81	0.0765	13.1	0.4
KIDNUM2	-2.13	0.0752	13.3	0.6
AGEU18	-5.31	0.0642	15.6	2.9

Notes: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Caretakers who are over 25 years (AGEO25), Black (BLACK), or have less than a high school education (SCH0TO8, SCH9TO11) also are more likely to return to AFDC than the reference caretaker.

Contrary to the on-spell analysis, the unemployment rate in a caretaker's county (UNEMP) significantly affects her chances of returning to AFDC. This suggests that while good economic conditions in a county do not necessarily help people get off AFDC, bad economic conditions in a county can push people back onto the welfare rolls. Living in a rural county also increases the likelihood of AFDC recidivism. This may be due to having fewer economic choices or that life is simply more tenuous economically in rural areas.

Only a few factors seem to significantly help a caretaker who has left AFDC to stay off the welfare rolls. Although persons under 18 are less likely to leave AFDC, once persons in this age group do leave they are less likely to return. Also, as expected, persons earning substantial UI wages during the baseline period were less likely to return to AFDC than other caretakers. Having two children (KIDNUM2) and the length of prior welfare receipt (AFDCDUR) also reduced the probability of returning to AFDC, results which are curious and puzzling given some of the other findings (e.g., on AFDC exit probabilities). These two variables will be examined carefully in subsequent analyses. Neither of the JTPA program variables had any impact on re-entry to AFDC. Due to data limitations, the effect of ES services could not be estimated for off-spell individuals at this time.[45]

C. Probability of Employment for AFDC Caretakers

Table 5 shows the probability of an exit from AFDC due to employment. In this analysis, employment is defined as having earned sufficient UI wages to remove a caretaker's family from AFDC for at least one month. This definition excludes exits to sporadic or extremely low-paying employment and exits to out-of-state employment. Of the persons sampled, only 15 percent of all AFDC exits are due to employment as defined here.

The results shown in Table 5 are analogous to the earlier results shown in Table 3 for all exits from AFDC, with two major exceptions. First, while Table 3 shows which factors influence a person's chances of leaving AFDC for *any* reason, Table 5 indicates which factors influence an AFDC caretaker's chances of leaving AFDC for employment. Second, these probabilities have been calculated on a quarterly basis while the overall AFDC exit probabilities are monthly. The first thing worth noting about these results is that, while race/ethnicity variables (BLACK, HISPANIC) had strong negative effects on the overall AFDC exit probabilities, they have no significant effects on employment-related AFDC exits. That is, while Whites have significantly greater chances of leaving AFDC for

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[45] The effect of ES services will be estimated and reported in the final project report.

Table 5. Independent Variable Effects on Probability of Exit from AFDC to Employment - Statewide Results

Variable	t-Ratio	Probability of Employment	Expected Spell Length	Change from Reference
AGEU18	-4.61	0.0318	31.5	15.6
SCH0TO8	-6.28	0.0464	21.6	5.7
SCH9TO11	-6.32	0.0491	20.4	4.5
KIDNUM4	-3.04	0.0529	18.9	3.0
MOVEZIP	-2.95	0.0550	18.2	2.3
KIDNUM2	-2.10	0.0580	17.2	1.3
AFDCDUR	-11.24	0.0595	16.8	0.9
UNEMP	-3.90	0.0595	16.8	0.9
AGE1	-4.73	0.0618	16.2	0.3
KIDNUM3	-1.85	0.0577	17.3	1.4
AGEO25	-0.86	0.0606	16.5	0.6
MALE	-0.03	0.0628	15.9	0.0
KIDEAGE1	-0.32	0.0628	15.9	0.0
REFERENCE		0.0629	15.9	0.0
BLACK	0.08	0.0631	15.8	-0.1
RURAL	0.77	0.0647	15.5	-0.4
URBAN	1.25	0.0657	15.2	-0.7
HISPANIC	1.33	0.0666	15.0	-0.9
MOVECNTY	0.75	0.0667	15.0	-0.9
TEENMOM	1.73	0.0673	14.9	-1.0
JTPACURR	1.89	0.0792	12.6	-3.3
KIDYAGE	6.56	0.0632	15.8	-0.1
ESNUM	6.41	0.0635	15.7	-0.2
JTPADUR	3.82	0.0692	14.5	-1.4
ESCURR	17.16	0.1009	9.9	-6.0

Notes: Probability of employment is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

any reason, all race/ethnic groups appear to have the same chance of exiting for employment. One possible explanation suggests that Black females in particular have more difficulty finding "marriageable" partners than Whites. AFDC women of all races may have about the same opportunities for securing what are typically low-paying jobs, but very unequal chances for other means of bettering their economic position (e.g., marriage to an economically viable mate).

Variables significantly associated with large reductions in the probability of leaving AFDC for employment are a combination of personal (demographic) and environmental factors. Young caretakers (AGEU18), caretakers with less than a high school education (SCH0TO8, SCH9TO11), those with two or more children (KIDNUM2, KIDNUM4) or lengthy prior spells on welfare (AFDCDUR) have all significantly lower chances of leaving for a job. Not surprisingly, their chances are also hurt if they reside in a high-unemployment county (UNEMP). These results are fully consistent with the literature.

The non-demographic variables assume more importance when employment is the outcome being measured. It is also encouraging that the variables most strongly associated with improved probability of exiting welfare for employment are largely program-related. Current ES participation (ESCURR), while reducing the chances for leaving for any reason, increased a caretaker's employment chances more strongly than any other single factor. Previous ES and JTPA participation (ESNUM, JTPADUR) also significantly improved their prospects for employment-related exits. The strong performance of the program and unemployment variables, even in the baseline period, indicate that investing both in job training/placement programs and in area economic development are productive strategies for improving employment-related outcomes for AFDC caretakers.

D. Probability of Job Loss for AFDC Caretakers

In addition to analyzing spells of AFDC receipt, factors influencing employment duration were studied for AFDC recipients who became employed. Table 6 shows the results of this analysis. Because the UI earnings data used in this analysis are reported for each calendar quarter, the exit probabilities are also computed on a quarterly basis, and the expected employment duration is expressed in quarters.

As can be seen from Table 6, the expected employment duration for the reference AFDC caretaker is rather short -- 2.2 calendar quarters, or less than 7 months. Very few of the independent variables had a measurable effect on the probability of losing one's job. While results from the previous table (Table 5) indicated that environmental and program variables strongly influenced caretakers' prospects for employment, these variables generally appear to have made little difference in the duration of caretakers'

Table 6. Independent Variable Effects on Probability of Job Loss and Length of Employment Spells - Statewide Results

Variable	t-Ratio	Probability of Exit	Expected Employment Duration	Change from Reference
JTPACURR	-3.07	0.3623	2.8	0.5
EARNPOST	-40.94	0.4234	2.4	0.1
BLACK	-2.05	0.4280	2.3	0.1
AGEU18	-0.50	0.4325	2.3	0.1
KIDNUM3	-1.23	0.4330	2.3	0.1
KIDNUM2	-0.85	0.4392	2.3	0.0
SCH0TO8	-0.50	0.4410	2.3	0.0
UNEMP	-0.64	0.4443	2.3	0.0
AGE1	-0.97	0.4457	2.2	0.0
AFDCDUR	-0.43	0.4460	2.2	0.0
REFERENCE		0.4467	2.2	0.0
KIDNUM4	0.06	0.4476	2.2	0.0
KIDEAGE1	0.90	0.4479	2.2	0.0
RURAL	0.18	0.4483	2.2	0.0
TEENMOM	0.18	0.4483	2.2	0.0
MOVEZIP	0.44	0.4515	2.2	0.0
HISPANIC	0.49	0.4515	2.2	0.0
JTPADUR	1.54	0.4545	2.2	0.0
AGEO25	0.82	0.4549	2.2	0.0
SCH9TO11	1.09	0.4559	2.2	0.0
URBAN	1.90	0.4624	2.2	-0.1
MOVECNTY	0.92	0.4631	2.2	-0.1
KIDYAGE	3.56	0.4471	2.2	0.0
MALE	3.84	0.5235	1.9	-0.3

Notes: Probability of job loss is presented for any given quarter.
Expected employment duration is expressed in quarters.
Statistically significant variables are shaded.

employment in the baseline period.[46] Only current JTPA participation (JTPADUR) seems to be associated with longer employment durations. This might be explained by their participation in OJT, work experience or other program interventions which are closely tied to employment. However, only 15 percent of JTPA enrollments by AFDC parents were in OJT and work experience in PY1986.[47]

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[46] Due to data limitations, it was not possible to include ES variables in this analysis. Given the strength of the ES variables in increasing employment prospects, the researchers are obtaining the data that are needed to include ES in the measurement of employment retention. ES related results will be reported in the final project report.

[47] See: King and Schexnayder (November 1988).

E. Comparison of Key Results Among State/Substate Areas

This section presents results from the statistical analysis of the five substate DHS Regions and compares them with those at the state level. It does not delve into the results in great detail in that the purpose of this report is primarily to establish baseline expectations for the pre-coordination period so that changes between the two periods can be explored. Results for the four dependent variables are presented in a series of summary tables (Tables 7-10). The complete substate findings are contained in Appendix A, Statistical Results from Substate Regions.

Before presenting these results, a few words about reading the summary tables are necessary. First, each summary table lists the independent variables in the order in which they appear in the statewide tables. Exit probabilities for the reference person are then presented in the middle row of each table. As explained earlier, the reference person is simply a necessary analytical device and should not be viewed as a person who is typical for the state or for a given substate area. While there is wide area variation in AFDC exit probabilities, the variation may not be as great for the "typical" client as it is for the reference person.

Second, the results are summarized by means of a series of "+", "-" and " (blank)" marks. A "+" indicates that the independent variable in question has the statistically significant effect of increasing the exit probability relative to the reference person, while a "-" denotes a statistically significant negative effect on AFDC exit chances, again relative to those for the reference person. A " (blank) " means either that the independent variable was statistically insignificant in the model or that it was not included in the regression for that outcome (e.g., ES-based variables were unavailable for AFDC Re-Entry and Job Loss models) or region (e.g., no counties met the URBAN criteria in Regions 1/2 and 3).

Probability of Exit from AFDC. There is considerable consistency in the way the independent variables affect AFDC exit probabilities at the state and substate level, at least in the regions being examined here. A comparison of the significant variables across regions (Table 7) reveals only a few notable discrepancies. First, while receiving ES services concurrently (ESCURR) is associated with reducing AFDC exit probabilities relative to the reference person in the state and Region 10 models, it increases the exit probability for Region 9. The effect is not large in any case, and ESCURR does not have a statistically significant effect in the remaining regions. The other difference between the state and substate models is the effect of the URBAN and RURAL variables. Neither is statistically significant in the state or most substate regressions. However, in Regions 3 and 10 RURAL residence appears to significantly increase AFDC exit probabilities, and in Regions 9 and 11, URBAN residence significantly decreases exit probabilities relative to the Reference person, and these effects are relatively large.

Table 7. Independent Variable Effects on Probability of Exit from AFDC - Comparison of State and Substate Results

Variable	State	Region 1/2	Region 3	Region 9	Region 10	Region 11
BLACK	-	-	-	-	-	-
HISPANIC	-	-	-	-		
AGEU18	-		-	-	-	
KIDNUM3	-	-	-	-	-	-
KIDNUM4	-		-	-	-	-
SCH0TO8	-		-	-	-	-
SCH9TO11	-			-	-	
KIDNUM2	-		-	-		-
ESCURR	-			+	-	
AFDCDUR	-	-	-	-	-	-
AGE1	-	-	-	-	-	-
JTPACURR						
AGEO25						
RURAL			+		+	
REFERENCE	0.0476	0.0456	0.0314	0.0545	0.0330	0.0272
TEENMOM						
URBAN				-		-
UNEMP		+	+	+	+	+
ESNUM	+	+	+	+	+	+
KIDEAGE1	+		+	+	+	
KIDYAGE	+	+	+	+	+	+
EARNPOST	+	+	+	+	+	+
JTPADUR	+		+		+	+
MALE	+	+	+	+	+	+

Notes: Complete substate tables are included in Appendix A.
"+" and "-" show direction of statistically significant variable effects on exit probability, relative to REFERENCE.
" " indicates variable was not statistically significantly.

Probability of Re-Entry to AFDC. The AFDC re-entry probability results are also generally consistent among the state and substate models (Table 8). There are two curious results for the AFDC re-entry models. First, while the lack of a high school education (SCH0TO8, SCH9TO11) significantly increases re-entry probabilities in the statewide model, only one of these variables (SCH9TO11) is significant in only two of the substate models (Regions 9 and 10). The effect remains modest. Second, being HISPANIC in Region 11 is associated with increases in re-entry probabilities while it shows up significantly in no other model. The HISPANIC coefficient is insignificant but negative in the state model.

Table 8. Independent Variable Effects on Probability of Re-Entry to AFDC - Comparison of State and Substate Results

Variable	State	Region 1/2	Region 3	Region 9	Region 10	Region 11
AGEO25	+	+	+	+	+	+
UNEMP	+	+	+	+	+	+
BLACK	+	+		+	+	+
SCH0TO8	+					
SCH9TO11	+			+	+	
RURAL	+		+		+	+
KIDNUM4						
JTPADUR				+		
URBAN						+
MALE						
TEENMOM						
REFERENCE	0.0787	0.0847	0.0549	0.0934	0.0703	0.0430
AGE1						
KIDNUM3					-	
HISPANIC						+
JTPACURR				-		
KIDYAGE	-	-	-	-	-	-
EARNPOST	-	-	-	-	-	-
KIDEAGE1	-	-	-	-	-	-
AFDCDUR	-	-	-	-	-	-
KIDNUM2	-			-	-	
AGEU18	-	-		-	-	-

Notes: Complete substate tables are included in Appendix A.
"+" and "-" show direction of statistically significant variable effects on exit probability, relative to REFERENCE.
" " indicates variable was not statistically significantly.

Probability of AFDC Exit to Employment. The AFDC employment exit probability models contain more state and substate variation than any of the others. Several of these differences are highlighted here. First, as expected, a higher unemployment rate (UNEMP) significantly reduces the probability of leaving AFDC for employment. This result holds for the state model as well as for those in Regions 9 and 10. However, for Regions 3 and 11, UNEMP appears to *increase* the probability of leaving welfare for a job, and the effect is not small. Second, being BLACK was associated with a very small, statistically insignificant increase in the probability of exit to employment in the state model, an effect which was statistically significant in the Region 9 model. Yet, being BLACK appears to significantly and strongly *decrease* the probability of AFDC exit to a job in Regions 1/2 and 3. Third, being MALE appears to be associated with modest but statistically insignificant reductions in employment exit chances in the state model, but shows up as statistically significant and positive in the results for Regions 10 and 11 and the effects are not small. Finally, the TEENMOM variable generally was found not to have strong significant effects in many of the state or substate models. In the state results, TEENMOM is insignificant and associated with a modest increase in AFDC employment exit chances. For Region 10, however, TEENMOM is both significant and associated with reducing the chances for an AFDC exit for employment. The Region 10 result is more in line with expectations.

Table 9. Independent Variable Effects on Probability of Exit from AFDC to Employment - Comparison of State and Substate Results

Variable	State	Region 1/2	Region 3	Region 9	Region 10	Region 11
AGEU18	-	-	-	-		-
SCH0TO8	-	-	-	-	-	-
SCH9TO11	-	-	-	-	-	-
KIDNUM4	-	-		-	-	-
KIDNUM2	-			-		-
AFDCDUR	-	-	-	-	-	-
UNEMP	-		+	-	-	+
AGE1	-	-	-	-	-	-
KIDNUM3		-	-	-		-
AGEO25						
MALE					+	+
KIDEAGE1						
REFERENCE	0.0629	0.0749	0.0413	0.0701	0.0603	0.0502
BLACK		-	-	+		
RURAL			+			
URBAN						
HISPANIC						+
TEENMOM					-	
JTPACURR			+	+	+	+
KIDYAGE	+	+	+	+	+	+
ESNUM	+		+	+	+	
JTPADUR	+	+		+	+	+
ESCURR	+	+	+	+	+	+

Notes: Complete substate tables are included in Appendix A.
"+" and "-" show direction of statistically significant variable effects on exit probability, relative to REFERENCE.
" " indicates variable was not statistically significantly.

Probability of Job Loss. The last set of results are for the probability of job loss for AFDC recipients who left welfare and secured employment in the intervening period. These results are very consistent at all levels and among the regions. The one result which is curious concerns the RURAL variable. Residing in a rural area is insignificantly associated with increasing the probability of job loss in the state model; for Region 1/2 this result gains statistical significance but its effect is slight. For Region 3, however, RURAL is significant, relatively strong and associated with *reducing* job loss chances relative to the reference person.

Table 10. Independent Variable Effects on Probability of Exit from Employment - Comparison of State and Substate Results

Variable	State	Region 1/2	Region 3	Region 9	Region 10	Region 11
JTPACURR	-	-	-	-		-
EARNPOST	-	-	-	-	-	-
BLACK	-			-	-	-
AGEU18						
KIDNUM3						
KIDNUM2						
SCH0TO8						
UNEMP						-
AGE1						
AFDCDUR						
REFERENCE	0.4467	0.4865	0.4849	0.4558	0.4856	0.4993
KIDNUM4						
KIDEAGE1						
RURAL		+	-			
TEENMOM						
HISPANIC						
JTPADUR		+				
AGEO25						
SCH9TO11						
URBAN						
KIDYAGE	+		+	+	+	+
MALE	+	+	+	+	+	+

Notes: Complete substate tables are included in Appendix A.
"+" and "-" show direction of statistically significant variable effects on exit probability, relative to REFERENCE.
" " indicates variable was not statistically significantly.

This discussion has only provided a brief exploration of similarities and differences in the state and substate models and findings. The substate results will be given a fuller treatment in a subsequent report which examines changes between the pre-coordination and coordination periods.

V. Summary of Key Findings

The overwhelming majority of persons who leave AFDC in Texas do so for reasons other than employment, a finding consistent with national research. During the baseline period, only 15 percent of all caretakers who left AFDC became employed. The factors that were strongly associated with both lengthening a caretaker's welfare spell duration and reducing her employment exit probability were largely personal (demographic) in nature. Younger caretakers (AGEU18), those with larger families (KIDNUM2, KIDNUM4), who lacked a high school education (SCH0TO8, SCH9TO11), or who had longer prior AFDC receipt (AFDCDUR) had less chance of leaving AFDC for employment. It is encouraging that participation in employment and training programs, such as ES and JTPA (ESCURR, ESNUM and JTPADUR), significantly improved their chances of leaving welfare for employment.

While JTPA participation increased caretakers' chances of leaving welfare for employment, it seems to have had little impact on keeping them from returning to the rolls at some future date. While higher unemployment rates in the caretaker's county of residence (UNEMP) negatively influenced her ability to remain off the rolls, the factors having the greatest influence on a caretaker's return to AFDC were almost all personal/demographic. Older caretakers (AGEO25), Black caretakers (BLACK), or those who lacked a high school diploma (SCH0TO8, SCH9TO11) were all more likely to return to AFDC during the baseline period.

One of the more disturbing findings from this period concerns the employment duration of those AFDC caretakers who were successful in leaving welfare for employment. Their expected employment duration was a scant 6.6 months, with very few factors associated with improving the length of that employment. Only caretakers currently participating in JTPA (JTPACURR) had noticeably longer expected employment durations. No single factor increased expected employment duration by more than 2 months. So, although program participation seems to have improved caretakers' initial chances of leaving welfare for employment in the baseline period, it produced only small effects on the expected duration of that employment. It is important to note that employment-related outcomes -- employment exit probability and expected employment duration -- are two areas most likely to be affected positively by the availability of transitional Medicaid and child care benefits under the Family Support Act of 1988. Transitional benefits first became available in some DHS regions in April 1989 and statewide in April 1990.

In reviewing these results, it is important to remember that these results are from the first two years of a five-year time period. The purpose of this analysis was to establish baseline results against which results from a more recent period could be measured. During the last two years of the period under study, efforts to help AFDC recipients become employed have become far more extensive. Several agencies have attempted to coordinate their services so as to improve the employment outcomes of AFDC caretakers. Only after results from those efforts become available can a judgment be rendered as to the effectiveness of coordinated employment and training programs as a means of reducing AFDC duration.

Since the primary purpose of this baseline analysis is establishing expectations for an assessment of the impact of welfare-to-work program coordination, statements concerning policy and program implications of these findings have largely been deferred. Subsequent reports will devote more attention to exploring the detailed results and examining their implications. The implementation of the Family Support Act JOBS program in Texas in October 1990 has certainly heightened the interest in the implications of these findings on welfare program coordination.

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Appendix A

Statistical Results from Substate Regions

Table A-1. Independent Variable Effects on AFDC Spell Length and Probability of Exit from AFDC - DHS Region 1/2

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from REFERENCE
BLACK	-11.35	0.0257	39.0	17.0
HISPANIC	-5.06	0.0374	26.7	4.8
SCH0TO8	-3.55	0.0389	25.7	3.8
KIDNUM4	-2.88	0.0392	25.5	3.6
AFDCDUR	-10.69	0.0429	23.3	1.3
AGE1	-2.09	0.0453	22.1	0.2
JTPACURR	-1.25	0.0382	26.2	4.2
AGEU18	-1.80	0.0383	26.1	4.2
KIDNUM3	-1.58	0.0426	23.5	1.6
SCH9TO11	-1.54	0.0433	23.1	1.2
KIDNUM2	-1.16	0.0438	22.9	0.9
ESCURR	-0.79	0.0444	22.5	0.6
AGEO25	-0.09	0.0454	22.0	0.1
REFERENCE		0.0456	21.9	0.0
KIDEAGE1	1.14	0.0458	21.8	-0.1
RURAL	1.11	0.0470	21.3	-0.7
TEENMOM	1.28	0.0477	20.9	-1.0
JTPADUR	1.30	0.0493	20.3	-1.7
KIDYAGE	27.26	0.0463	21.6	-0.4
EARNPOST	8.36	0.0472	21.2	-0.8
ESNUM	5.05	0.0485	20.6	-1.3
MALE	2.03	0.0532	18.8	-3.1
UNEMP	7.73	0.0547	18.3	-3.6

Note: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-2. Independent Variable Effects on Probability of Re-Entry to AFDC, and Expected Length of Off-Spells - DHS Region 1/2

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from REFERENCE
UNEMP	10.52	0.1019	9.8	-2.0
AGEO25	6.12	0.0996	10.0	-1.8
BLACK	3.10	0.0920	10.9	-0.9
SCH0TO8	1.89	0.0898	11.1	-0.7
JTPADUR	0.67	0.0875	11.4	-0.4
TEENMOM	0.61	0.0860	11.6	-0.2
HISPANIC	0.61	0.0859	11.6	-0.2
SCH9TO11	0.48	0.0856	11.7	-0.1
REFERENCE		0.0847	11.8	0.0
AGE1	-0.86	0.0845	11.8	0.0
RURAL	-0.24	0.0843	11.9	0.1
MALE	-0.16	0.0840	11.9	0.1
KIDNUM4	-0.35	0.0835	12.0	0.2
KIDNUM3	-1.16	0.0815	12.3	0.5
KIDNUM2	-1.96	0.0804	12.4	0.6
JTPACURR	-0.65	0.0782	12.8	1.0
KIDYAGE	-26.65	0.0841	11.9	0.1
EARNPOST	-6.94	0.0832	12.0	0.2
KIDEAGE1	-7.04	0.0825	12.1	0.3
AFDCDUR	-6.99	0.0814	12.3	0.5
AGEU18	-2.51	0.0757	13.2	1.4

Notes: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-3. Independent Variable Effects on Probability of Exit from AFDC to Employment - DHS Region 1/2

Variable	t-Ratio	Probability of Employment	Expected Spell Length	Change from REFERENCE
SCH0TO8	-4.91	0.0545	18.4	5.0
AGEU18	-2.25	0.0547	18.3	4.9
KIDNUM3	-2.86	0.0628	15.9	2.6
SCH9TO11	-3.47	0.0634	15.8	2.4
KIDNUM4	-2.28	0.0638	15.7	2.3
BLACK	-2.44	0.0653	15.3	2.0
AFDCDUR	-6.97	0.0712	14.0	0.7
AGE1	-3.70	0.0737	13.6	0.2
KIDNUM2	-1.85	0.0684	14.6	1.3
AGEO25	-1.08	0.0705	14.2	0.8
RURAL	-1.16	0.0716	14.0	0.6
HISPANIC	-0.89	0.0717	14.0	0.6
MALE	-0.38	0.0717	13.9	0.6
TEENMOM	-0.36	0.0736	13.6	0.2
REFERENCE		0.0749	13.3	0.0
KIDEAGE1	1.99	0.0760	13.2	-0.2
ESNUM	0.99	0.0762	13.1	-0.2
UNEMP	1.93	0.0799	12.5	-0.8
JTPACURR	1.65	0.0987	10.1	-3.2
KIDYAGE	2.62	0.0751	13.3	0.0
JTPADUR	2.92	0.0940	10.6	-2.7
ESCURR	13.94	0.1212	8.2	-5.1

Note: Probability of employment is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

Table A-4. Independent Variable Effects on Length of Employment Spells - DHS Region 1/2

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from REFERENCE
JTPACURR	-2.48	0.3951	2.5	0.5
EARNPOST	-35.21	0.4543	2.2	0.1
BLACK	-1.53	0.4682	2.1	0.1
KIDNUM4	-0.90	0.4692	2.1	0.1
KIDNUM2	-1.13	0.4737	2.1	0.1
UNEMP	-1.23	0.4748	2.1	0.1
KIDNUM3	-0.53	0.4787	2.1	0.0
SCH0TO8	-0.48	0.4791	2.1	0.0
AGEU18	-0.13	0.4820	2.1	0.0
TEENMOM	-0.26	0.4834	2.1	0.0
AGE1	-0.32	0.4861	2.1	0.0
AFDCDUR	-0.15	0.4861	2.1	0.0
KIDEAGE1	-0.05	0.4864	2.1	0.0
REFERENCE		0.4865	2.1	0.0
KIDYAGE	1.42	0.4867	2.1	0.0
AGEO25	0.25	0.4897	2.0	0.0
HISPANIC	0.54	0.4926	2.0	0.0
SCH9TO11	0.64	0.4931	2.0	0.0
RURAL	2.07	0.5055	2.0	-0.1
JTPADUR	2.27	0.5240	1.9	-0.1
MALE	3.42	0.5689	1.8	-0.3

Notes: Probability of job loss is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

Table A-5. Independent Variable Effects on AFDC Spell Length and Probability of Exit from AFDC - DHS Region 3

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from REFERENCE
AGEU18	-4.48	0.0114	87.4	55.5
HISPANIC	-8.45	0.0144	69.3	37.4
BLACK	-4.13	0.0175	57.2	25.3
KIDNUM4	-2.75	0.0255	39.3	7.4
KIDNUM2	-3.11	0.0270	37.1	5.2
SCH0TO8	-3.04	0.0270	37.0	5.1
KIDNUM3	-2.26	0.0273	36.6	4.7
AFDCDUR	-12.58	0.0290	34.5	2.6
AGE1	-4.72	0.0308	32.5	0.6
JTPACURR	-1.42	0.0239	41.8	9.9
SCH9TO11	-1.65	0.0290	34.5	2.6
AGEO25	-1.23	0.0292	34.2	2.3
REFERENCE		0.0314	31.9	0.0
TEENMOM	0.92	0.0328	30.5	-1.4
ESCURR	1.40	0.0333	30.1	-1.8
KIDEAGE1	2.60	0.0319	31.4	-0.5
KIDYAGE	34.54	0.0322	31.1	-0.8
EARNPOST	8.13	0.0327	30.6	-1.3
ESNUM	5.56	0.0343	29.2	-2.7
JTPADUR	4.87	0.0433	23.1	-8.8
UNEMP	7.48	0.0463	21.6	-10.3
MALE	3.85	0.0466	21.5	-10.4
RURAL	4.81	0.0474	21.1	-10.8

Note: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-6. Independent Variable Effects on Probability of Re-Entry to AFDC, and Expected Length of Off Spells - DHS Region 3

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from REFERENCE
UNEMP	8.64	0.0822	12.2	-6.0
RURAL	3.98	0.0748	13.4	-4.8
AGEO25	2.53	0.0615	16.3	-1.9
SCH9TO11	1.76	0.0589	17.0	-1.2
SCH0TO8	1.61	0.0587	17.0	-1.2
TEENMOM	0.96	0.0572	17.5	-0.7
JTPADUR	0.63	0.0572	17.5	-0.7
KIDNUM4	0.21	0.0558	17.9	-0.3
HISPANIC	0.31	0.0558	17.9	-0.3
AGE1	1.23	0.0552	18.1	-0.1
REFERENCE		0.0549	18.2	0.0
BLACK	-0.13	0.0544	18.4	0.2
KIDNUM2	-1.42	0.0516	19.4	1.2
KIDNUM3	-1.39	0.0507	19.7	1.5
JTPACURR	-0.55	0.0497	20.1	1.9
MALE	-1.13	0.0495	20.2	2.0
AGEU18	-1.66	0.0477	21.0	2.8
KIDYAGE	-27.71	0.0543	18.4	0.2
EARNPOST	-5.54	0.0537	18.6	0.4
KIDEAGE1	-6.84	0.0527	19.0	0.8
AFDCDUR	-5.20	0.0527	19.0	0.8

Notes: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-7. Independent Variable Effects on Probability of Exit from AFDC to Employment - DHS Region 3

Variable	t-Ratio	Probability of Employment	Expected Spell Length	Change from REFERENCE
AGEU18	-2.30	0.0187	53.6	29.4
BLACK	-2.73	0.0206	48.5	24.3
SCH0TO8	-3.13	0.0314	31.9	7.7
KIDNUM3	-2.46	0.0316	31.6	7.4
SCH9TO11	-2.65	0.0328	30.5	6.3
AFDCDUR	-6.06	0.0388	25.8	1.6
AGE1	-4.97	0.0399	25.0	0.8
KIDNUM4	-1.41	0.0347	28.9	4.7
MALE	-0.76	0.0347	28.8	4.7
KIDNUM2	-1.92	0.0353	28.3	4.1
AGEO25	-1.53	0.0354	28.3	4.1
HISPANIC	-0.23	0.0403	24.8	0.6
REFERENCE		0.0413	24.2	0.0
KIDEAGE1	1.23	0.0419	23.9	-0.3
JTPADUR	0.44	0.0439	22.8	-1.4
TEENMOM	0.89	0.0444	22.5	-1.7
KIDYAGE	4.99	0.0416	24.0	-0.2
ESNUM	2.38	0.0441	22.7	-1.5
UNEMP	3.05	0.0552	18.1	-6.1
RURAL	3.20	0.0660	15.2	-9.0
ESCURR	15.58	0.0896	11.2	-13.0
JTPACURR	5.73	0.1134	8.8	-15.4

Note: Probability of employment is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

Table A-8. Independent Variable Effects on Length of Employment Spells - DHS Region 3

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from REFERENCE
JTPACURR	-3.32	0.3610	2.8	0.7
RURAL	-2.40	0.4170	2.4	0.3
EARNPOST	-29.35	0.4585	2.2	0.1
BLACK	-1.13	0.4526	2.2	0.1
UNEMP	-1.37	0.4606	2.2	0.1
KIDNUM4	-0.65	0.4700	2.1	0.1
AGEO25	-0.26	0.4808	2.1	0.0
KIDEAGE1	-0.38	0.4841	2.1	0.0
REFERENCE		0.4849	2.1	0.0
KIDNUM3	0.00	0.4849	2.1	0.0
AGE1	0.89	0.4862	2.1	0.0
HISPANIC	0.12	0.4869	2.1	0.0
AFDCDUR	1.34	0.4880	2.0	0.0
AGEU18	0.10	0.4899	2.0	0.0
SCH0TO8	0.54	0.4924	2.0	0.0
TEENMOM	0.56	0.4928	2.0	0.0
SCH9TO11	0.83	0.4960	2.0	0.0
KIDNUM2	0.99	0.4982	2.0	-0.1
JTPADUR	1.38	0.5060	2.0	-0.1
KIDYAGE	2.22	0.4852	2.1	0.0
MALE	2.27	0.5636	1.8	-0.3

Notes: Probability of job loss is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

Table A-9. Independent Variable Effects on AFDC Spell Length and Probability of Exit from AFDC - DHS Region 9

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from REFERENCE
URBAN	-3.31	0.0371	27.0	8.6
BLACK	-11.49	0.0385	26.0	7.6
HISPANIC	-10.81	0.0424	23.6	5.2
KIDNUM4	-5.04	0.0483	20.7	2.4
SCH0TO8	-6.23	0.0489	20.4	2.1
AGEU18	-2.19	0.0493	20.3	2.0
KIDNUM3	-4.60	0.0495	20.2	1.9
SCH9TO11	-4.80	0.0503	19.9	1.5
KIDNUM2	-3.27	0.0516	19.4	1.1
AFDCDUR	-12.50	0.0532	18.8	0.5
AGE1	-5.00	0.0541	18.5	0.1
RURAL	-1.60	0.0460	21.7	3.4
AGEO25	-1.95	0.0525	19.0	0.7
REFERENCE		0.0545	18.3	0.0
JTPACURR	0.32	0.0557	18.0	-0.4
TEENMOM	1.87	0.0564	17.7	-0.6
JTPADUR	1.31	0.0571	17.5	-0.8
KIDEAGE1	3.99	0.0551	18.2	-0.2
KIDYAGE	50.04	0.0554	18.0	-0.3
UNEMP	3.72	0.0556	18.0	-0.4
EARNPOST	15.57	0.0561	17.8	-0.5
ESCURR	3.39	0.0575	17.4	-0.9
ESNUM	8.72	0.0575	17.4	-1.0
MALE	7.31	0.0711	14.1	-4.3

Note: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-10. Independent Variable Effects on Probability of Re-Entry to AFDC, and Expected Length of Off Spells - DHS Region 9

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from REFERENCE
AGEO25	6.25	0.1053	9.5	-1.2
JTPADUR	2.83	0.1052	9.5	-1.2
BLACK	3.24	0.1009	9.9	-0.8
UNEMP	7.50	0.0972	10.3	-0.4
SCH9TO11	2.11	0.0968	10.3	-0.4
SCH0TO8	1.50	0.0959	10.4	-0.3
TEENMOM	1.36	0.0958	10.4	-0.3
HISPANIC	0.44	0.0941	10.6	-0.1
KIDNUM4	0.28	0.0941	10.6	-0.1
MALE	0.15	0.0938	10.7	-0.1
REFERENCE		0.0934	10.7	0.0
AGE1	-0.49	0.0933	10.7	0.0
KIDNUM3	-1.68	0.0897	11.2	0.4
URBAN	-0.97	0.0838	11.9	1.2
RURAL	-1.07	0.0827	12.1	1.4
KIDYAGE	-36.38	0.0927	10.8	0.1
EARNPOST	-8.25	0.0923	10.8	0.1
KIDEAGE1	-9.20	0.0912	11.0	0.3
AFDCDUR	-9.49	0.0909	11.0	0.3
KIDNUM2	-3.41	0.0875	11.4	0.7
AGEU18	-3.39	0.0841	11.9	1.2
JTPACURR	-2.01	0.0763	13.1	2.4

Notes: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-11. Independent Variable Effects on Probability of Exit from AFDC to Employment - DHS Region 9

Variable	t-Ratio	Probability of Employment	Expected Spell Length	Change from REFERENCE
AGEU18	-3.85	0.0478	20.9	6.6
SCH0TO8	-7.98	0.0530	18.9	4.6
SCH9TO11	-7.09	0.0551	18.2	3.9
KIDNUM3	-3.74	0.0603	16.6	2.3
KIDNUM4	-3.21	0.0607	16.5	2.2
KIDNUM2	-2.46	0.0647	15.5	1.2
UNEMP	-6.15	0.0657	15.2	0.9
AFDCDUR	-9.81	0.0675	14.8	0.5
AGE1	-5.90	0.0689	14.5	0.2
URBAN	-0.70	0.0609	16.4	2.2
MALE	-1.39	0.0624	16.0	1.7
TEENMOM	-0.45	0.0690	14.5	0.2
REFERENCE		0.0701	14.3	0.0
KIDEAGE1	1.09	0.0704	14.2	-0.1
HISPANIC	0.16	0.0705	14.2	-0.1
RURAL	0.07	0.0710	14.1	-0.2
AGEO25	0.40	0.0711	14.1	-0.2
KIDYAGE	6.27	0.0703	14.2	-0.1
ESNUM	2.94	0.0725	13.8	-0.5
BLACK	2.90	0.0799	12.5	-1.8
JTPADUR	5.36	0.0959	10.4	-3.8
JTPACURR	3.72	0.1063	9.4	-4.9
ESCURR	19.42	0.1110	9.0	-5.3

Note: Probability of employment is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

Table A-12. Independent Variable Effects on Length of Employment Spells - DHS Region 9

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from REFERENCE
JTPACURR	-2.55	0.3750	2.7	0.5
BLACK	-2.73	0.4222	2.4	0.2
EARNPOST	-38.74	0.4351	2.3	0.1
AGEU18	-1.69	0.4124	2.4	0.2
RURAL	-0.61	0.4297	2.3	0.1
URBAN	-0.38	0.4399	2.3	0.1
HISPANIC	-1.17	0.4437	2.3	0.1
AFDCDUR	-0.73	0.4548	2.2	0.0
KIDEAGE1	-0.44	0.4551	2.2	0.0
AGE1	-0.48	0.4553	2.2	0.0
REFERENCE		0.4558	2.2	0.0
KIDNUM4	0.00	0.4558	2.2	0.0
UNEMP	0.46	0.4573	2.2	0.0
KIDNUM3	0.23	0.4584	2.2	0.0
AGEO25	0.31	0.4589	2.2	0.0
TEENMOM	0.80	0.4636	2.2	0.0
SCH0TO8	1.01	0.4655	2.1	0.0
KIDNUM2	1.15	0.4663	2.1	0.0
SCH9TO11	1.53	0.4693	2.1	-0.1
JTPADUR	1.99	0.4879	2.0	-0.1
KIDYAGE	3.51	0.4562	2.2	0.0
MALE	4.72	0.5540	1.8	-0.4

Notes: Probability of job loss is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

Table A-13. Independent Variable Effects on AFDC Spell Length and Probability of Exit from AFDC - DHS Region 10

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from REFERENCE
BLACK	-19.79	0.0137	73.2	42.9
AGEU18	-3.45	0.0228	43.9	13.7
SCH0TO8	-4.80	0.0254	39.3	9.0
KIDNUM4	-3.29	0.0281	35.6	5.4
KIDNUM3	-3.21	0.0290	34.5	4.3
SCH9TO11	-3.19	0.0301	33.2	2.9
ESCURR	-2.56	0.0306	32.6	2.4
AFDCDUR	-9.68	0.0317	31.6	1.3
AGE1	-4.97	0.0325	30.8	0.5
HISPANIC	-1.16	0.0287	34.9	4.6
AGEO25	-1.75	0.0309	32.4	2.1
KIDNUM2	-0.61	0.0324	30.8	0.6
REFERENCE		0.0330	30.3	0.0
TEENMOM	0.03	0.0331	30.2	0.0
JTPACURR	1.61	0.0392	25.5	-4.7
URBAN	1.43	0.0413	24.2	-6.0
KIDEAGE1	3.81	0.0336	29.7	-0.5
KIDYAGE	39.05	0.0338	29.6	-0.6
ESNUM	5.22	0.0346	28.9	-1.4
EARNPOST	15.76	0.0355	28.2	-2.1
UNEMP	4.03	0.0360	27.8	-2.5
RURAL	4.74	0.0380	26.3	-3.9
JTPADUR	2.98	0.0386	25.9	-4.3
MALE	4.08	0.0430	23.2	-7.0

Note: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-14. Independent Variable Effects on Probability of Re-Entry to AFDC, and Expected Length of Off-Spells - DHS Region 10

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from REFERENCE
BLACK	7.33	0.0825	12.1	-2.1
UNEMP	8.95	0.0823	12.2	-2.1
RURAL	5.46	0.0815	12.3	-2.0
AGEO25	4.55	0.0808	12.4	-1.9
SCH9TO11	2.78	0.0752	13.3	-0.9
URBAN	1.66	0.0866	11.5	-2.7
JTPADUR	1.49	0.0757	13.2	-1.0
SCH0TO8	0.60	0.0722	13.8	-0.4
MALE	0.12	0.0707	14.1	-0.1
TEENMOM	0.00	0.0703	14.2	0.0
REFERENCE		0.0703	14.2	0.0
AGE1	-1.40	0.0700	14.3	0.1
HISPANIC	-0.47	0.0675	14.8	0.6
KIDNUM4	-1.60	0.0646	15.5	1.3
JTPACURR	-1.49	0.0574	17.4	3.2
KIDYAGE	-34.61	0.0696	14.4	0.1
EARNPOST	-8.87	0.0684	14.6	0.4
KIDEAGE1	-7.44	0.0682	14.7	0.4
AFDCDUR	-7.66	0.0675	14.8	0.6
KIDNUM3	-2.56	0.0634	15.8	1.5
KIDNUM2	-3.80	0.0625	16.0	1.8
AGEU18	-5.29	0.0516	19.4	5.2

Notes: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-15. Independent Variable Effects on Probability of Exit from AFDC to Employment - DHS Region 10

Variable	t-Ratio	Probability of Employment	Expected Spell Length	Change from REFERENCE
KIDNUM4	-2.73	0.0507	19.7	3.1
SCH9TO11	-4.44	0.0507	19.7	3.1
SCH0TO8	-2.12	0.0525	19.0	2.4
TEENMOM	-2.19	0.0544	18.4	1.8
UNEMP	-2.71	0.0556	18.0	1.4
AFDCDUR	-9.38	0.0571	17.5	0.9
AGE1	-5.09	0.0590	17.0	0.4
AGEU18	-2.00	0.0464	21.5	5.0
HISPANIC	-1.07	0.0508	19.7	3.1
KIDNUM3	-1.64	0.0554	18.1	1.5
KIDNUM2	-1.92	0.0556	18.0	1.4
BLACK	-1.61	0.0565	17.7	1.1
AGEO25	-0.19	0.0597	16.8	0.2
RURAL	-0.05	0.0601	16.6	0.0
REFERENCE		0.0603	16.6	0.0
KIDEAGE1	0.67	0.0605	16.5	-0.1
URBAN	0.09	0.0615	16.3	-0.3
KIDYAGE	7.38	0.0606	16.5	-0.1
ESNUM	4.04	0.0633	15.8	-0.8
MALE	2.79	0.0768	13.0	-3.6
JTPADUR	3.65	0.0770	13.0	-3.6
JTPACURR	2.12	0.0804	12.4	-4.2
ESCURR	15.40	0.0952	10.5	-6.1

Note: Probability of employment is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

Table A-16. Independent Variable Effects on Length of Employment Spells - DHS Region 10

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from REFERENCE
BLACK	-4.55	0.4415	2.3	0.2
EARNPOST	-34.78	0.4543	2.2	0.1
JTPACURR	-1.24	0.4428	2.3	0.2
HISPANIC	-1.06	0.4465	2.2	0.2
KIDNUM2	-0.27	0.4828	2.1	0.0
AFDCDUR	-1.43	0.4831	2.1	0.0
UNEMP	-0.18	0.4843	2.1	0.0
AGE1	-0.41	0.4851	2.1	0.0
KIDEAGE1	-0.32	0.4851	2.1	0.0
REFERENCE		0.4856	2.1	0.0
KIDNUM4	0.15	0.4885	2.0	0.0
KIDNUM3	0.24	0.4890	2.0	0.0
JTPADUR	0.32	0.4905	2.0	0.0
SCH9TO11	0.66	0.4923	2.0	0.0
AGEO25	0.57	0.4927	2.0	0.0
RURAL	0.69	0.4933	2.0	0.0
TEENMOM	1.37	0.5012	2.0	-0.1
SCH0TO8	1.11	0.5103	2.0	-0.1
AGEU18	0.86	0.5261	1.9	-0.2
URBAN	1.07	0.5471	1.8	-0.2
KIDYAGE	3.69	0.4862	2.1	0.0
MALE	5.85	0.6133	1.6	-0.4

Notes: Probability of job loss is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

Table A-17. Independent Variable Effects on AFDC Spell Length and Probability of Exit from AFDC - DHS Region 11

Variable	t-Ratio	Probability of Exit	Expected Spell Length	Change from REFERENCE
BLACK	-16.91	0.0108	92.9	56.1
SCH0TO8	-5.90	0.0200	50.0	13.2
KIDNUM4	-4.49	0.0212	47.2	10.4
URBAN	-4.58	0.0222	45.0	8.3
KIDNUM3	-4.00	0.0228	43.8	7.0
KIDNUM2	-2.43	0.0250	40.0	3.2
AFDCDUR	-12.72	0.0256	39.1	2.3
AGE1	-3.44	0.0269	37.2	0.4
AGEU18	-1.56	0.0224	44.6	7.8
JTPACURR	-1.00	0.0245	40.8	4.0
HISPANIC	-1.62	0.0251	39.8	3.0
SCH9TO11	-1.95	0.0256	39.0	2.2
ESCURR	-1.70	0.0257	38.9	2.1
AGEO25	-0.60	0.0266	37.6	0.9
RURAL	-0.37	0.0266	37.6	0.8
REFERENCE		0.0272	36.8	0.0
KIDEAGE1	1.50	0.0274	36.5	-0.3
TEENMOM	0.79	0.0280	35.8	-1.0
KIDYAGE	54.53	0.0282	35.5	-1.3
ESNUM	2.85	0.0282	35.5	-1.3
EARNPOST	16.63	0.0288	34.7	-2.0
JTPADUR	2.79	0.0305	32.8	-3.9
MALE	4.80	0.0390	25.6	-11.1
UNEMP	21.42	0.0474	21.1	-15.7

Note: Probability of exit is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-18. Independent Variable Effects on Probability of Re-Entry to AFDC, and Expected Length of Off-Spells - DHS Region 11

Variable	t-Ratio	Probability of Re-Entry	Expected Off-Spell Length	Change from REFERENCE
UNEMP	33.32	0.0973	10.3	-13.0
BLACK	7.63	0.0540	18.5	-4.7
RURAL	4.16	0.0537	18.6	-4.6
URBAN	5.59	0.0524	19.1	-4.2
AGEO25	3.22	0.0489	20.4	-2.8
HISPANIC	2.82	0.0485	20.6	-2.6
KIDNUM4	1.79	0.0481	20.8	-2.5
SCH0TO8	1.72	0.0469	21.3	-1.9
JTPACURR	0.39	0.0453	22.1	-1.2
KIDNUM3	0.91	0.0449	22.3	-1.0
SCH9TO11	0.94	0.0444	22.5	-0.7
REFERENCE		0.0430	23.3	0.0
JTPADUR	-0.01	0.0430	23.3	0.0
AGE1	-0.57	0.0429	23.3	0.1
TEENMOM	-0.30	0.0425	23.5	0.3
MALE	-0.44	0.0416	24.1	0.8
KIDNUM2	-1.29	0.0409	24.5	1.2
KIDYAGE	-40.11	0.0423	23.6	0.4
EARNPOST	-8.22	0.0419	23.9	0.6
KIDEAGE1	-9.63	0.0409	24.5	1.2
AFDCDUR	-11.07	0.0398	25.1	1.9
AGEU18	-5.23	0.0278	36.0	12.8

Notes: Probability of re-entry is presented for any given month.
Spell lengths are expressed in months.
Statistically significant variables are shaded.

Table A-19. Independent Variable Effects on Probability of Exit from AFDC to Employment - DHS Region 11

Variable	t-Ratio	Probability of Employment	Expected Spell Length	Change from REFERENCE
AGEU18	-3.26	0.0255	39.2	19.3
SCH0TO8	-6.17	0.0317	31.5	11.6
SCH9TO11	-7.04	0.0362	27.6	7.7
KIDNUM4	-3.35	0.0392	25.5	5.6
KIDNUM3	-3.56	0.0406	24.7	4.8
KIDNUM2	-2.01	0.0457	21.9	2.0
AFDCDUR	-13.82	0.0460	21.7	1.8
AGE1	-4.65	0.0492	20.3	0.4
AGEO25	-0.90	0.0479	20.9	1.0
URBAN	-0.76	0.0482	20.8	0.9
KIDEAGE1	-1.36	0.0498	20.1	0.2
ESNUM	-0.15	0.0501	20.0	0.1
REFERENCE		0.0502	19.9	0.0
TEENMOM	0.25	0.0509	19.7	-0.2
RURAL	0.77	0.0534	18.7	-1.2
BLACK	1.68	0.0544	18.4	-1.5
KIDYAGE	5.60	0.0505	19.8	-0.1
JTPADUR	3.74	0.0614	16.3	-3.6
HISPANIC	4.11	0.0633	15.8	-4.1
MALE	2.25	0.0645	15.5	-4.4
UNEMP	8.10	0.0694	14.4	-5.5
JTPACURR	4.56	0.0836	12.0	-7.9
ESCURR	20.98	0.0961	10.4	-9.5

Note: Probability of employment is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

Table A-20. Independent Variable Effects on Length of Employment Spells - DHS Region 11

Variable	t-Ratio	Probability of Job Loss	Expected Employment Duration	Change from REFERENCE
JTPACURR	-4.83	0.3823	2.6	0.6
UNEMP	-3.44	0.4674	2.1	0.1
BLACK	-3.02	0.4731	2.1	0.1
EARNPOST	-45.89	0.4745	2.1	0.1
RURAL	-1.84	0.4722	2.1	0.1
SCH9TO11	-1.48	0.4876	2.1	0.0
URBAN	-0.70	0.4925	2.0	0.0
AGEU18	-0.19	0.4930	2.0	0.0
TEENMOM	-0.59	0.4938	2.0	0.0
AGE1	-0.28	0.4990	2.0	0.0
REFERENCE		0.4993	2.0	0.0
AFDCDUR	0.66	0.5003	2.0	0.0
SCH0TO8	0.08	0.5004	2.0	0.0
KIDEAGE1	0.94	0.5005	2.0	0.0
KIDNUM3	0.30	0.5025	2.0	0.0
KIDNUM2	0.50	0.5035	2.0	0.0
KIDNUM4	0.53	0.5073	2.0	0.0
AGEO25	0.98	0.5088	2.0	0.0
HISPANIC	0.89	0.5097	2.0	0.0
JTPADUR	1.16	0.5101	2.0	0.0
KIDYAGE	3.27	0.4997	2.0	0.0
MALE	6.03	0.6174	1.6	-0.4

Notes: Probability of job loss is presented for any given quarter.
Spell lengths are expressed in quarters.
Statistically significant variables are shaded.

Appendix B

Research Sample and Statistical Methodology

I. Construction of Sample Data Set

A. Overview of Data Sources and Sampling Strategy

For each AFDC caretaker in the baseline sample, data were collected and cross-referenced from several sources to create a complete profile describing the person and the person's spells on and off AFDC and on and off employment.

Data describing AFDC caretakers were assembled from three different state agencies:

- Texas Department of Human Services (DHS) -- demographic and spell data for caretakers of families receiving Aid to Families with Dependent Children (AFDC).
- Texas Department of Commerce (Commerce) -- data from participants in Job Training Partnership Act (JTPA) programs, operating in 34 Service Delivery Areas (SDAs) throughout Texas.
- Texas Employment Commission (TEC) -- data describing labor exchange services (ES); also quarterly earnings data from Unemployment Insurance (UI) wage records.

The baseline sample is made up of 20,000 caretakers selected randomly from 241,832 individuals who were on the statewide AFDC rolls in FY1986 or FY1987 (September 1, 1985 to August 31, 1987). Social Security numbers (SSN) were matched to those in data files provided by other state agencies to generate master data sets. Data describing economic conditions in the caretaker's county of residence were also added. As a check on the reliability of AFDC data, selected variables were compared when clients appeared in both years. If sex, race, or caretaker birthdate changed from FY1986 to FY1987, the observation was deleted. Also deleted were cases reporting no children, cases where the eldest child was older than 19, and cases where the caretaker was older than 59. These deletions totalled 5.9 percent of the sample. The final baseline data set contains 166 variables describing each of the 18,817 AFDC caretakers in the sample who received AFDC services between September 1, 1985 and August 31, 1987. Analysis of these variables focuses on spell data for which special statistical techniques have been developed.

B. AFDC Variables

AFDC data describe spells of AFDC receipt and demographic characteristics of caretakers. Variables include:

- Spell data: on/off dates marking up to 12 spells of AFDC services receipt. A spell is defined as one continuous period of AFDC receipt. Situations in which an individual left the AFDC rolls during a calender month and returned before the end of that same month were counted as one continuous spell. Spell data have been carefully "cleaned" by DHS staff to purge them of administrative starts/stops and other paperwork problems. Historical spell data were included in the data set to the extent available from DHS, including some spells beginning as far back as 1967.

- Demographic data: Social Security number, sex, employment services code, caretaker birthdate, children's birthdates, zip code, county code, and race (small minority groups -- American Indians, Asians, and non-Hispanic others -- included in "White" category). Dummy variables for White, Black, and Hispanic were created as well. In cases where clients were enrolled in both FY1986 and FY1987 and their county or zip code changed, a new variable representing "moved" was constructed.

C. JTPA Variables

JTPA data are gathered according to Program Year (PY); e.g., PY1985 is the period from July 1, 1985 through June 30, 1986. Using SSNs from each file, JTPA data for Title IIA programs providing job training to adults and youth during the baseline period (PY1985, 1986, and part of 1987) were matched to the sampled AFDC caretakers. Any JTPA observations with a start date or termination date falling between September 1, 1985 and August 31, 1987 were retained. A variable representing educational attainment was also extracted. A total of 2,027 sampled caretakers (10.8 percent of the total sample) participated in JTPA programs during the baseline period.

D. ES Variables

Labor exchange data from the Employment Services Automated Reporting System (ESARS) are also arranged by program year. ESARS data are maintained in two separate files: the applicant file contains information about persons who have applied for work through TEC (labor exchange services); the services file describes job preparation activities -- job referrals, resume writing, etc. -- conducted by TEC and undergone by the client. From the applicant file, a variable describing education level was taken. The services file contained large numbers of transactions for some clients. Thus, a services-month variable was created to represent the number of services received by the client in each calendar month. The master data set includes 24 of these variables -- one for each month of the baseline period. Of the entire sample, 8,689 persons (46.2 percent of the total) received ES services during the baseline period.

E. UI Wage Variables

The raw data consist of total quarterly earnings for AFDC caretakers from October 1985 - September 1988. Four quarters beyond the baseline period were included to capture earnings of those in the sample who were employed after receipt of services. Because earnings in some quarters were extremely low -- less than $10.00 in some cases -- criteria were established to signify a quarter of substantial employment. If UI-reported earnings exceeded the amount needed to make a family ineligible for AFDC for one month in any given quarter (see Table B-1), the caretaker was considered employed. If earnings were less than maximum but the client was employed in either the preceding or subsequent quarter, the criteria were considered met in this quarter as well. During the baseline period, 12,405 caretakers (65.9 percent of the sample) received sufficient earnings to meet the employment for at least one calendar quarter.

Table B-1.

Maximum Monthly Earned Income For Caretaker Case to Remain Eligible for AFDC

Family Size	Maximum Earned Income Per Month
1	$233
2	350
3	396
4	452
5	489
6	546
7	582
8	647

Notes: These amounts are based on the following assumptions:

- These limits are for the first four months that the caretaker has earned income.
- The caretaker is eligible for the following deductions:
  - $90 work related expense
  - $30 plus 1/3 earned income disregard
  - the family has no countable income except the caretaker's earnings.

Source: Texas Department of Human Services (8/14/90), adjusted by project researchers to delete child care deductions.

F. County Data

Economic and demographic data on Texas counties in 1986 and 1987 were also compiled. These economic and population data include: per capita income, unemployment rate, population density, average weekly wage, and employed-to-adult-population ratio. These data were derived from TEC and U.S. Department of Commerce figures. County data were added to the master data set by matching economic variables for the appropriate year and county to AFDC county codes for each person in the sample.

II. Statistical Estimation Method

A. Data Structure

Many kinds of economic situations, such as employment and unemployment, are described as spells--durations of time when a person is in one state or its opposite. Because of the discrete nature of states, and the fact that a person changes states over time, modeling spell data requires specialized statistical tools.

In this research, the population, or universe of the data was all AFDC caretakers in Texas from the FY1986 and FY1987 DHS caseload files. Therefore, statistical inferences based on the analysis can be generalized to this universe only. For the statewide analysis, a random sample was drawn from the state caseload file. For the regional analyses, the observations used for estimation included all cases in each region.

Dependent Variables. The available techniques for modeling spell data seek to estimate two different variables describing spell behavior: spell duration, and the probability of exit from the spell. The two variables are related in that the average length of a spell is the reciprocal of the probability of exit.

Independent Variables. The independent variables available for analysis are classified in three main groups: personal (demographic), environmental, and program. The personal variables included individual attributes such as race/ethnicity and educational attainment. These variables were gathered from AFDC, ESARS, and JTPA records maintained for each individual. Environmental variables describe the economic and demographic conditions of the county in which the client lived. The environmental data for each individual were created by matching the individual's county of residence to a data set containing information on population density, employment, and other attributes for each county. The program data describe the individual's interaction with and participation in the ES and JTPA programs. The program variables were created from administrative records provided by each of the agencies.

Missing Values and Variables. Since the data were limited to currently-existing administrative records many effects could not be modeled. For example, since DHS keeps inadequate records of the reasons for a client's leaving AFDC, analyzing the type of exit from welfare is not possible. The data which are available are often erroneous. For example, people who appear to have changed race between years were dropped from the sample because such an obvious error in any data element casts doubt on the accuracy of all data elements recorded for the person.

An important determinant of a person's welfare experience is the years of school completed. Unfortunately, this information was not collected for all caretakers by DHS until September 1989. Before then, data for years of school completed were unavailable for AFDC caretakers unless it was possible to match the person's SSN to JTPA or ES records containing education data. In the state data set, 4,523 of 16,518 observations (27 percent) were missing education data. Further, these data were not randomly missing, but missing for a systematic subset of the population since those with lower levels of education were less likely to participate in either JTPA or ES programs. Therefore, dropping all observations with missing values could bias the regression coefficients in systematic ways.

To ameliorate this problem, discriminant analysis was used to "predict" the level of education for those with missing values. Education was modeled as dummy variables SCH0TO8, SCH9TO11 and SCH12. SCH0TO8 takes the value of one for individuals who have had less than 9 years of school and zero otherwise, SCH9TO11 takes the value of one for people with 9 to 11 years and zero otherwise, and SCH12 takes the value of one for 12 or more years of education and zero otherwise.

The discriminant analysis procedure uses the values of other variables to classify each record into the most likely SCH category. These other variables included many of the same ones used for analyzing AFDC spells. Discriminant analysis misclassified a substantial number of the observations for which the correct level of schooling was known. Nevertheless, the estimated values were retained for two reasons:

- Regressions in which estimated data were used produced results very similar to regressions in which the observations with missing values were dropped, except that the regressions including the estimated data generally seemed to have smaller standard errors.
- The inclusion of the estimated data made it unnecessary to throw out observations containing correct values for all the other variables. Since the main goal in the analysis is to determine the importance of policy and program variables, the statistical noise can be endured in the education variable in exchange for a clearer depiction of the policy variables impact.

B. Estimation Methods Available

Amemiya Method (Truncated Duration). The Amemiya method of spell data analysis seeks to estimate the duration of spells by estimating the functional relationship between observed duration and a set of independent variables.[1] The approach is similar to a regression in which the dependent variable is the number of months that the person was receiving AFDC out of a fixed-length study period. The dependent variable is truncated because of the fixed length of the study period, and because of this truncation, specialized estimation methods must be applied to achieve efficient estimators. Ordinary Least Squares (OLS) regression on the non-truncated observations can give a good approximation to the Amemiya model.

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[1] Leading articles in this field include: (1)Amemiya and Boskin (June, 1974); and (2)Bane and Ellwood (1983).

Boskin & Nold Method (Markov Chain). The Boskin and Nold approach seeks to estimate the probability of exit rather than the duration of stay.[2] The Markov chain is a statistical model often used to describe spell behavior. Under this paradigm, an individual is conceptualized as being in one of two possible states, such as "ON AFDC" and "OFF AFDC". For each period, it is possible for a change of state to take place. The purpose of the analysis is to estimate the functional relation between the probability of a change in state and a set of observable independent variables.

In estimating the Boskin and Nold model, each individual's observation is expanded to a set of monthly or quarterly observations, each of which contains data on the individual in that month or quarter. The expanded observations are arranged in two data sets, one for the observations in the "ON" state, and one for the observations in the "OFF" state.

The expanded observations include independent variables similar to those used in the Amemiya method, except that the independent variables can change over time as the person's situation changes. The dependent variable for each expanded observation is a dummy variable which takes the value of one if the person changes states in the following month, or zero if the person does not change states. OLS estimates of the dependent variable regressed against the independent variables in the expanded observations will yield inefficient estimates of the functional relationship. Probit techniques may ultimately be used to achieve efficient estimates.

C. Choice of Estimation Method

The Amemiya (truncated duration) model was used in the initial analysis of the data, however, it was discarded in favor of the Boskin-Nold exit probability model because the structure of the data was more appropriate for the latter. The main problem with the Amemiya approach is that it requires the independent variables to describe the client at an instant in time, whereas the data actually described clients over time. Failure to include this time dimension in the Amemiya approach can bias the estimated coefficients, especially for program variables. For example, if an individual has been receiving AFDC for many years, and then receives JTPA services and leaves AFDC, this individual's observation would bias the Amemiya model in the direction of showing a positive relation between JTPA and long spell duration, even though the opposite is the case.

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[2] Boskin and Nold (1974).

The Amemiya method is not useful if the fixed-length period is quite short. The seminal work using this method has a study period of five years. The study period for the pre-coordination analysis is only two years. The shortness of the study period was another factor influencing the decision to adopt the exit probability model.

D. Specific Models to be Fitted

Two kinds of spells need to be modeled: employment and AFDC receipt. For each of these, there are two data sets, one for the observations which are in the "ON" state, and one for the observations in the "OFF" state. Thus, there are four combinations to estimate:

AFDC On-Spells and Probability of Any Exit from AFDC. This regression consists of individuals receiving AFDC during a given month. The dependent variable is one if the individual leaves AFDC in the following month, and zero if the person does not leave. Positive coefficients on independent variables in this regression identify influences which will tend to increase the probability of exit from AFDC and which will decrease spell duration.

AFDC Off-Spells and Probability of Re-Entry to AFDC. This regression consists of individuals *not* receiving AFDC during a given month. However, since the universe of this population is all AFDC caretakers, the inferences cannot be extended to all Texans not receiving AFDC during a month, but only to previous AFDC recipients who are not receiving AFDC during a month. The dependent variable is one if the client returns to AFDC, and is zero otherwise. Positive coefficients on independent variables in this regression identify influences which tend to be associated with a return to AFDC (recidivism).

AFDC On-Spells and Probability of Exit to Employment. This regression consists of individuals receiving AFDC during a given quarter. The dependent variable is one if the individual leaves AFDC in the following quarter due to employment; otherwise, it is zero. Employment is defined as earning sufficient wages to become ineligible for AFDC for at least six weeks in a given quarter. Positive coefficients on independent variables in this regression identify influences which tend to increase AFDC exits to employment.

Employment On-Spells and Probability of Job Loss. This regression consists of former AFDC recipients who are employed during a given quarter. The definition of employment is based on the person receiving sufficient UI wages to be ineligible for AFDC. The data are quarterly instead of monthly because UI wages are reported as such. The dependent variable is one if the person loses her job the following quarter, and is zero otherwise. Positive coefficients on independent variables in this regression identify influences which will be associated with a loss of employment for former AFDC recipients.

III. Results

The results have been discussed at length in the main body of the paper. However, in the interest of brevity and simplicity, much of the technical detail has been left unstated. The purpose of this section is to show the regression coefficients and R-squared statistics that were not shown in the earlier tables, and to describe the methods used to derive the exit probability and length-of-stay statistics presented in the body of the report.

A. Estimated Probabilities and Spell Lengths

The independent variables for this analysis are shown in Table B-2. In addition to defining the variables, Table B-2 shows the reference and alternative values used to create subsequent tables. The alternative values were used to illustrate the impact of each variable on exit probability and spell length. For comparison, the exit probability was computed for a reference person using the reference values in the table. Then the exit probability was computed holding everything equal excepting an alternative value which was substituted for one variable at a time. The difference between the exit probability and spell length for the reference person versus the values for the alternative calculations illustrates the relative importance of each independent variable.

The attributes of the reference person are shown in the "Reference Value" column of Table B-2. The values were chosen mainly for expository convenience--any other values would give similar answers. For the dummy variables in the table, such as BLACK or RURAL, the variable takes the value of one if the person possesses the attribute, and zero otherwise. Since the baseline person has the value of zero for BLACK, HISPANIC, URBAN and RURAL, the baseline person is an Anglo living in a county with a medium population density. The interpretation of the other variables is similar.

For the continuous variables -- AGE1, KIDEAGE1, KIDYAGE, UNEMP, EARNPOST, ESNUM, AFDCDUR, and JTPADUR -- baseline and alternative values shown in Table B-2 have been chosen to illustrate the influence of the variable for *typical values* found in the Texas AFDC population. The effect of continuous variables on the dependent variables is not linear, but instead will vary with the level and degree of change in the particular independent variable. For example, as the client's age (AGE1) increases from 21 to 22, it will have somewhat larger effect on the dependent variables than increasing in age from 22 to 23 years of age. Similar non-linear effects occur for the other continuous variables.

Table B-2. Independent Variables Used in the Analysis

Category	Variable	Description	Baseline Value	Alternative Value
Personal				
	AGE1	Age of client at start of first spell	21	22
	AGEO25	Dummy variable for client over 25 years old	0	1
	AGEU18	Dummy variable for client under 18 years old	0	1
	BLACK	Dummy variable for client of Black race.	0	1
	EARNPOST	Amount of future UI wages reported for client	0	1000
	HISPANIC	Dummy variable for client of Hispanic ethnicity	0	1
	KIDEAGE1	Age of eldest child at start of client's first spell	1	2
	KIDNUM2	Dummy variable for client having two children	0	1
	KIDNUM3	Dummy variable for client having three children.	0	1
	KIDNUM4	Dummy variable for client having more than three children.	0	1
	KIDYAGE	Contemporaneous age of youngest child	2	3
	MALE	Dummy variable for male client	0	1
	MOVECNTY	Dummy variable for a move between counties	0	1
	MOVEZIP	Dummy variable for a within-county move between zips	0	1
	SCH0TO8	Dummy variable for client with <9 years of school	0	1
	SCH9TO11	Dummy variable for client with >8 and <12 years of school	0	1
	TEENMOM	Dummy variable for client having been a teen mother	0	1
Environmental				
	RURAL	Dummy variable for client in county with >600 persons per sq mi.	0	1
	UNEMP	Unemployment rate in client's county	6.3	10.2
	URBAN	Dummy variable for client in county with <100 persons per sq mi.	0	1
Program				
	ESCURR	Dummy variable for current ESARS activity	0	1
	ESNUM	Number of lifetime ESARS services received	0	8
	JTPACURR	Dummy variable for current JTPA activity	0	1
	JTPADUR	Number of lifetime JTPA days	0	133
AFDC Effect				
	AFDCDUR	Total time in all AFDC spells to date	0	365

B. Regression Results

Regression coefficients and R-squared statistics for the four statewide regressions are presented below. Tables B3 - B6 provide these more complete statistics for the results shown in Tables 3 - 6 in the main body of the report.

Table B-3. Regression Estimating Probability of Any Exit from AFDC.

Summary Statistics:

Number of Observations	204556
Mean of Dependent Variable	0.03051
R-Squared	0.0226
F-Statistic	189.511

Regression Coefficients and t-ratios:

Variable	Estimated Coefficient	t-Ratio	Probability of this t-ratio
CONSTANT	0.056937	19.81	0.0001
BLACK	-0.020371	-18.33	0.0001
HISPANIC	-0.014308	-12.16	0.0001
AGEU18	-0.00723	-2.46	0.0138
AGEO25	-0.000214	-0.18	0.8548
KIDEAGE1	0.000486	3.29	0.0010
AGE1	-0.000601	-6.07	0.0001
KIDYAGE	0.000833	46.22	0.0001
MALE	0.006835	2.78	0.0054
URBAN	0.000582	0.60	0.5471
RURAL	-0.000000793	0.00	0.9994
SCH0TO8	-0.003052	-2.66	0.0079
SCH9TO11	-0.002985	-3.17	0.0015
ESCURR	-0.002196	-2.34	0.0191
ESNUM	0.000326	8.29	0.0001
JTPACURR	-0.000718	-0.21	0.8341
JTPADUR	0.000036299	3.15	0.0016
AFDCDUR	-0.000005455	-15.02	0.0001
UNEMP	0.000181	1.87	0.0614
MOVECNTY	0.009329	4.40	0.0001
MOVEZIP	-0.008732	-7.47	0.0001
KIDNUM2	-0.002804	-2.80	0.0052
KIDNUM3	-0.005321	-4.34	0.0001
KIDNUM4	-0.005249	-3.65	0.0003
TEENMOM	0.000375	0.35	0.7300
EARNPOST	0.000001731	14.48	0.0001

Table B-4. Regression Estimating Probability of Re-Entry to AFDC.

Summary Statistics:

Number of Observations	175356
Mean of Dependent Variable	0.06517
R-Squared	0.0113
F-Statistic	87.179

Regression Coefficients and t-ratios:

Variable	Estimated Coefficient	t-Ratio	Probability of this t-ratio
CONSTANT	0.073055	16.42	0.0001
BLACK	0.006717	4.28	0.0001
HISPANIC	-0.002774	-1.67	0.0942
AGEU18	-0.014508	-5.31	0.0001
AGEO25	0.007224	3.95	0.0001
KIDEAGE1	-0.001792	-8.03	0.0001
AGE1	-0.000135	-0.83	0.4081
KIDYAGE	-0.000585	-35.02	0.0001
MALE	0.000936	0.31	0.7580
URBAN	0.001068	0.72	0.4745
RURAL	0.003572	2.35	0.0186
SCH0TO8	0.003881	2.05	0.0403
SCH9TO11	0.003733	2.48	0.0131
JTPACURR	-0.0075	-1.15	0.2507
JTPADUR	0.000035888	1.79	0.0730
AFDCDUR	-0.000005871	-7.81	0.0001
UNEMP	0.00181	11.67	0.0001
MOVECNTY	0.008553	2.45	0.0141
MOVEZIP	0.023546	9.15	0.0001
KIDNUM2	-0.003493	-2.13	0.0336
KIDNUM3	-0.0002	-0.09	0.9256
KIDNUM4	0.003252	1.21	0.2269
TEENMOM	0.000629	0.37	0.7081
EARNPOST	-0.000001032	-7.85	0.0001

Table B-5. Regression Estimating Probability of Exit from AFDC to Employment

Summary Statistics:

Number of Observations	60662
Mean of Dependent Variable	0.04942
R-Squared	0.0198
F-Statistic	51.080

Regression Coefficients and t-ratios:

Variable	Estimated Coefficient	t-Ratio	Probability of this t-ratio
CONSTANT	0.090322	13.65	0.0001
BLACK	0.000218	0.08	0.9331
HISPANIC	0.003636	1.33	0.1841
AGEU18	-0.031132	-4.61	0.0001
AGEO25	-0.002334	-0.86	0.3917
KIDEAGE1	-0.000109	-0.32	0.7504
AGE1	-0.001068	-4.73	0.0001
KIDYAGE	0.000291	6.56	0.0001
MALE	-0.000141	-0.03	0.9804
URBAN	0.002815	1.25	0.2107
RURAL	0.001784	0.77	0.4441
SCH0TO8	-0.016544	-6.28	0.0001
SCH9TO11	-0.013802	-6.32	0.0001
ESCURR	0.037965	17.16	0.0001
ESNUM	0.000604	6.41	0.0001
JTPACURR	0.016279	1.89	0.0591
JTPADUR	0.000104	3.82	0.0001
AFDCDUR	-0.000009317	-11.24	0.0001
UNEMP	-0.000865	-3.90	0.0001
MOVECNTY	0.003747	0.75	0.4510
MOVEZIP	-0.007907	-2.95	0.0032
KIDNUM2	-0.004894	-2.10	0.0354
KIDNUM3	-0.005252	-1.85	0.0641
KIDNUM4	-0.009987	-3.04	0.0024
TEENMOM	0.00437	1.73	0.0833

Table B-6. Regression Estimating Probability of Job Loss

Summary Statistics:

Number of Observations	18659
Mean of Dependent Variable	0.34228
R-Squared	0.0871
F-Statistic	77.301

Regression Coefficients and t-ratios:

Variable	Estimated Coefficient	t-Ratio	Probability of this t-ratio
CONSTANT	0.469409	17.17	0.0001
BLACK	-0.01865	-2.05	0.0400
HISPANIC	0.00488	0.49	0.6279
AGEU18	-0.01413	-0.50	0.6207
AGEO25	0.008221	0.82	0.4126
KIDEAGE1	0.001206	0.90	0.3672
AGE1	-0.001002	-0.97	0.3320
KIDYAGE	0.000414	3.56	0.0004
MALE	0.076861	3.84	0.0001
URBAN	0.015788	1.90	0.0571
RURAL	0.001623	0.18	0.8553
SCH0TO8	-0.005667	-0.50	0.6178
SCH9TO11	0.009202	1.09	0.2758
JTPACURR	-0.084373	-3.07	0.0022
JTPADUR	0.00013	1.54	0.1237
AFDCDUR	-0.000001734	-0.43	0.6681
UNEMP	-0.000594	-0.64	0.5255
MOVECNTY	0.01642	0.92	0.3563
MOVEZIP	0.004833	0.44	0.6620
KIDNUM2	-0.007467	-0.85	0.3959
KIDNUM3	-0.013701	-1.23	0.2193
KIDNUM4	0.000908	0.06	0.9511
TEENMOM	0.001667	0.18	0.8607
EARNPOST	-0.000023237	-40.94	0.0001